

# Eastern European Oligarchs Are Gambling with Their Captive Countries' Future

By [Stephen Karganovic](#)

Global Research, February 21, 2018

Region: [Europe](#)

Theme: [History](#), [Media Disinformation](#)

*Featured image: Plahotniuk visiting Uncle Sam*

*A few days ago, former Romanian President Traian Basescu unveiled some explosive border-changing designs that the mainstream press has completely ignored. Known for his penchant for making bombastic statements, this time around Basescu literally outdid himself by announcing that, together with a few other deputies, he is planning to introduce in the Romanian parliament a resolution calling for “renunciation of the Ribbentrop – Molotov pact and derecognition of its consequences.”*

The ideological wheeler-dealer Basescu, suspected of secret police ties under the Ceausescu regime who after its downfall was miraculously catapulted into ministerial positions under the new dispensation and subsequently served as mayor of Bucharest and Romania's President, should not be taken lightly. The former Securitate asset is now a leading right-wing nationalist politician in NATO Rumania, with a cleaned up biography, and his statements and ambitions reflect the position of an influential political power bloc in Rumania.

Basescu's demand for the restoration of Rumania's “pre June 26 1940 borders,” which is what the initiative presented to parliament as the rejection of the consequences of the Ribbentrop – Molotov Pact amounts to, if adopted as official policy, is bound to have tectonic geopolitical repercussions in the region, unsettling established borders and raising tensions severely. In 1940, be it remembered, Hitler forced Romania to cede considerable portions of its territory to satisfy more favored Axis allies such as Hungary and Bulgaria, while the non-aggression pact with the USSR contained a secret clause for Romania to return to USSR former czarist provinces of Moldavia (now known as the Republic of Moldova), Bessarabia, and Northern Bukovina. The pro-nazi Romanian leadership was promised not just the restoration of these territories after the impending German attack on the USSR, but further compensation to the east at Russia's expense if Romania participated enthusiastically in the planned Axis campaign initiate in June 1941. It did, and it briefly occupied Soviet territory up to Odessa (now Ukraine) and beyond. But that party lasted only until 1944, when the Soviets expelled all Axis forces from those regions.

That is history, of course. But the question that stands today is why is Basescu opening this can of warms, who put him up to it, and whose geopolitical objectives does the new round of turmoil it portends serve? As Russian-Ukrainian political analyst Rostislav Ishchenko sensibly points out, Basescu's demagogic appeal for border revision could hardly be confined solely to Romania's aspirations. What is to prevent Hungary from demanding the return of Hungarian-majority Romanian province of Bessarabia? Why shouldn't Poland demand the return of large portions of Western Ukraine and even some parts of Lithuania which have

undeniable historical links to the Polish state? Not to mention that a strong and revisionist Germany could then demand the return of its eastern provinces of Silesia and Pomerania, which had to be relinquished to Poland as victor's spoils at the end of World War II? Not to overlook that Bulgaria could then comfortably revive its claims on eastern Macedonia (under whatever name). The dangerous international border-altering precedent set by Kosovo in 1999, and driven home with NATO Alliance's benediction of its "independence" in 2008, may now come to haunt the wretched lands of Eastern Europe with full force.

So who is Romanian politician Traian Basescu, the public author of these potentially disastrous schemes and who might be his handlers? The usually convenient source, Wikipedia, gives us some edifying clues:

"Băseșcu has focused on a strong strategic partnership with the United States, a relationship which, during the 2004 presidential campaign, he called the 'Bucharest-London-Washington axis.' In real terms, this meant a continued commitment to maintain Romanian troops in Afghanistan and a smaller contingent in Iraq, and an agreement signed in December 2005 between Romania and the U.S. to allow U.S. troops to use a Romanian military facility (Mihail Kogălniceanu International Airport). Băseșcu is singled out in a report by Dick Marty, an investigator of the Council of Europe, on illegal activities of the US CIA in Europe, as one of the persons who authorized, or at least knew about, and must stand accountable for the black site at the Mihail Kogălniceanu military base from 2003 to 2005."

These are some heavy pointers on whose behalf this actor is acting, most astute readers will agree.

Switching now to Moldova, an entity with strong historic and ethnic ties to both Russia and Romania, "Carnegie Endowment's" Slovakia-based Eastern European expert Balash Yarabik has recently come up with some very interesting thoughts on the general subject under consideration. Hinting that the "orange revolution" era may be drawing to a close he stated that "the direction of our relationship with Lukashenko has now changed — we have come to realize that at this point in Eastern Europe governance has become a factor of extraordinary importance."

# Billion Dollar Theft: In Moldova, One Rich Banker's 'Crime' Has A Nation Doing Time



**Kenneth Rapoza**  
CONTRIBUTOR

*I cover business and investing in emerging markets.*

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*Charismatic Moldovan billionaire and a jack-of-all-trades, Vladimír Plahotniuc. One part philanthropist, one part pro-EU politician, one part business man. His Democratic Party rules Moldova. His banks finance the government. A government whistle blower in Washington says Plahotniuc is cashing on the theft of the country's central bank reserves, over \$1 billion in fact, which he allegedly orchestrated, the anti-money laundering official claims. (Photo from Deschide TV, Moldova)*

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Yarabik pointed out that the West is hugely disappointed with the results of the dashed hopes misplaced in the Ukraine's reformers. The "reforms" never got off the ground, he said, mainly because of the obstruction of the "orange revolutionaries" themselves, with political chaos ensuing instead.

It seems that the stark difference between staging a revolution and governing a country is finally beginning to dawn on those who until recently were in the forefront of the former and gave little thought to the latter. Indeed, the Ukraine is a textbook example of this distinction.

Significantly, Yarabik points out a virtue of the oft-maligned Belarus regime that is otherwise rarely noted in the West:

"It is difficult to reach an agreement with Belarus, but once reached it is implemented. With the Ukraine, reaching agreement is easy, but then nothing happens. Right now, the Ukraine is a captured state under the control of oligarchs who obstruct the implementation of the international agreements signed by the Ukrainian government."

This is an observation of more than casual significance made by a long-time regional Western operative and analyst. It just might herald a slight change of approach toward regimes in the Balkans and the post-Soviet space not yet admitted to the EU. It might even be regarded as a signal of sorts.

If that is correct, in the general context of Basescu's border bashing initiative, it may suggest that the West's patience with at least some of its corrupt Eastern European clients may be running out. For practical, not moral reasons, of course, but the consequences for those affected and destined to be swept away will be just the same.

Like Moldova's "gray cardinal," oligarch and leader of the ruling and farsically misnamed Democratic Party of Moldova, Vlad Plahotniuk.

Right now, although most people outside Moldova probably never heard of him, Plahotniuk is the most influential figure in his country. He controls the government and the legal system. What more could an oligarch ask for?

Just like neighboring Romania's Basescu, Plahotniuk is the product of his time, the so-called period of transition that all countries of the USSR and the former socialist block had to go through. In 1991 he was graduated in agriculture, after which — having a disdain for farming — he secured for himself a job in a prison for underage delinquents, discharging duties having apparently little to do with the tilling of land. Anyway, Plahotniuk purchased his diploma rather than earning it in a regular way and, as was later clarified, the reason he so coveted a prison camp job is so that he could recruit young female inmates to work in foreign prostitution joints, in return for a nice honorarium for himself, of course. At the same time the clever protagonist of Western-inspired “transition” secretly video taped sex parties of Moldavia's up and coming judges, parliament deputies, high officials, and diplomats with the incarcerated minors for blackmail purposes, which later came in very handy in facilitating his own rapid rise to wealth and power.

Having eventually become an oil and gas magnate, Plahotniuk swiftly increased his riches by entering the contraband fuel business. At present, the empire he has built up includes significant wine-producing enterprises in Moldova, a captive colored metals and oil export market, extensive media holdings (over half of Moldavia's radio and television broadcast facilities are beholden to him), and a stranglehold on the banking system. He owns the “Nobil” air transport company, has a controlling interest in the Kishinev international airport and Danube River international port facilities, owns the huge “Kodru” and “Nobil” hotel complexes, the “Drive” night club, “Asito” insurance company, to mention just a few of the more notable assets of this poster-boy transition winner calling the shots in EU and NATO friendly Moldova.

A brief synopsis of Plahotniuk's dossier would be incomplete without mentioning that between 2007 and 2012 he was on Italy's Interpol watch list, under suspicion of participation in organized crime and money laundering. (Shades of Montenegro's Milo Djukanovic, clever readers will note.) But the climax of Plahotniuk's oligarchic and political machinations was Moldova's “theft of the century,” the disappearance from three Moldovan banks of approximately one billion euros (12,5 % of destitute Moldova's GNP) that was transferred by European financial institutions for development projects. The vast funds were finally traced to the off-shore accounts of unknown owners in 2014. The gigantic scandal was the trigger of a wave of protest in March of 2015, much of it directed at Plahotniuk personally as the leading suspect in the scheme.

And what is a transitional oligarch without paid assassins in his employ? In March of 2012 Russian banker German Gorbuntzov was shot in London. Eventually extradited to Moldova, where he is now serving a prison sentence, the assassin Vitaliy Proka has publicly identified Plahotniuk as ordering the hit. Russian investigative authorities are now considering raising charges of murder against the oligarch.

As a political figure, Plahotniuk is no less prominent than as a leading “businessman”. After provoking a split in the then-ruling Communist Party, Plahotniuk formed his own “Democratic Party” with crony Marian Lupu as figurehead lider. With a media-created image of a new and fresh political force, the DP began a rapid rise in popularity.

However, under Plahotniuk's ruinous direction from the shadows the new party was treated as just another of the oligarch's business assets and its public standing eventually plunged

to dramatic lows, now around 3%.

Realizing that his political brain-child could not acquit itself creditably in the upcoming November 2018 elections, Plahotniuk launched a mixed election system scheme designed to gerrymander district boundaries in a way that would give him more parliamentary weight than he actually has. Moldova under the pressure of this ruthless and power hungry tycoon is on the verge of a gigantic political manipulation, with the results being that the next parliament could turn out to be the least legitimate in the country's history, and with Western "good governance" mantras being embarrassingly exposed for the fraud that they are in the hands of its faithful local lackeys.

And, by the way, after engineering the arrest of his rival oligarch Vlad Filat in 2015, Plahotniuk's effective control over Moldova's government is now complete. That makes him — and those who facilitated this murky character's rise to prominence — entirely responsible for the disastrous condition the country is in at the present time.

Marketing surveys bear that out unquestionably. A «CBS-AXA» agency survey conducted in September of 2017 reflected record levels of dissatisfaction with the state of affairs in Moldova and complete distrust of the established authorities. The "distrust all politicians" option scored a resounding 54%. When asked to write in the name of a politician they did trust, only 25% of the respondents bothered to name one. Clear evidence that Moldova is experiencing a period of deep frustration and disillusionment. That is the sum of Plahotniuk's accomplishments as a politician.

If Balash Yarabik's informed signals are to be read as political warnings, it would seem that the system implanted in Moldova by Western "partners" now needs some sprucing up. Time may be up for Plahotniuk and similar Eastern European oligarcical dinosaurs who are used to playing clever games with the Europeans, Americans, Russians, and would do the same with extraterrestrials if they ever showed up, just in order to gain a new lease on life for their massive robbery schemes. It would appear that all their "partners" are now fed up with them and their unpardonably obscene system of atrocious misgovernance, not because it conflicts with their moral values but because it threatens to implode the politically and economically profitable system of neo-colonial subjugation that was installed in Eastern Europe following USSR's demise.

Hence all the fancy talk about returning to "good governance" by those who promoted crooks and chameleons like Basesku and Plahotniuk while it suited them in the first place. And hence also the border changing pseudo-nationalist demagoguery designed to rally the disillusioned masses around the few untarnished symbols left.

For Montenegro's Milo Djukanovic and colleagues throughout the region, the message is clear that the "our son of a bitch" rule does not always ensure indefinite longevity.

In Moldavia a new generation of forty-something politicians has made its appearance, and they are chomping at the bit as they wait their turn. Whether their approach to earning economic and political capital is significantly different from that of their irredeemably corrupt elders remains to be seen.

But none of them — right or left, pro-Russian or pro-European — want to have anything to do with Plahotniuk and his repulsive and ruinous style of governance. Perhaps, if given a chance, they might figure out a way to pull their country out of its current swamp.

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