



**New East network**

## **Circles of power: Putin's secret friendship with ex-Stasi officer**

After revelations of Russian president's links to former chancellor Gerhard Schröder, investigation sheds light on relationship with influential German businessman

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**W**hen [Vladimir Putin](#) spends time in the German capital, a detour to Fuggerstraße in the Schöneberg district of Berlin is a must. There are many restaurants, bars and cafés there, and rainbow flags fly in the wind.

It is home to the Café des Artistes, one of the Russian president's favourite restaurants. He prefers rather unspectacular dishes, according to one of the waitresses. He eats zürcher geschnetzeltes ("sliced meat Zurich style") for €18.50, or beef stroganoff for €21.

"He drinks Radeberger Pilsener from Saxony," she said, reportedly Putin's favourite beer. "The president never orders the most expensive dishes."

It is no coincidence that Putin frequents the Café des Artistes. The reason for this is its [owner and chef, Stefan Warnig](#). Putin knew him as a little boy, when he played with the Russian's two daughters. After all, Stefan's father, Matthias Warnig, is a very good friend of Putin's.

The German who has the trust of the Russian president is 59 years old, with silver-grey hair. Most people believe that no one in Germany has as close and cordial a [relationship with the Russian president as former chancellor Gerhard Schröder](#). But that is not entirely true.

Warnig's acquaintance with Putin dates back further than Schröder's, to a time before the Russian became one of the most powerful men in the world. Warnig meets up with Putin much more often than Schröder. Unlike most heads of state, who often have to wait months for an audience with the Russian president, Warnig is a regular at the Kremlin. The two men see each other "generally every three weeks", sources in Moscow say.

The story of Matthias Warnig and Vladimir Putin is one of two men who have much in common. Both grew up in socialist states; both are former secret service agents. Their paths crossed by coincidence a quarter of a century ago. They enjoyed each other's company and spent much time together. They helped each other. When Putin rose to the centre of power Warnig rose as well, and became one of the most powerful managers in Russia's economy.

Their relationship is unique but also symbolises the strong personal ties between Germany and Russia. This is part of the reason why [German businesses have warned against imposing sanctions against Russia](#). People like Warnig have built strong networks over time, but the [current conflict in Ukraine](#) hampers, maybe even endangers, these relationships.

## Strong networks

The Ukraine crisis is having a particularly strong impact on Warnig. On 31 July, the EU put the most important shareholders of Bank Rossiya on the blacklist: [the Putin confidants Yuri Kovalchuk and Nikolai Shamalov](#). Before that, the US froze assets of Bank Rossiya and made transactions with it illegal.

Warnig knows both bankers very well. Since 2003 he has been a member of the board of directors in the institution nicknamed the “bank of Putin’s friends”. Russia’s second-largest credit institution, [VTB Bank](#), which has more than 100,000 employees, was also hit by the American-European measures. Warnig serves as a member of its supervisory board.

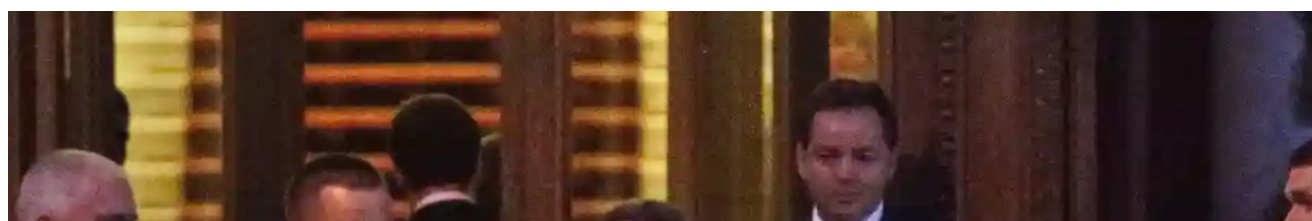
There are several other important posts occupied by the German, namely in the energy industry. [Warnig is on the board of directors of Rosneft](#), the largest energy company in the world. [Five percent of global oil production is controlled by Rosneft](#). In Russia, the oil is transported by Transneft which oversees 70,000km of pipelines. Warnig is also on the board of directors of Transneft.

Warnig is chairman of the board of directors at Rusal, the largest aluminium producer in the world. Putin reportedly personally gave Warnig this job to arbitrate in a conflict between the owners, all of them powerful oligarchs.

When it comes to gas exports, Warnig is managing director of Nord Stream AG, the company that operates [the gas pipeline connecting Russia’s Vyborg with Germany’s Lubmin](#), via the Baltic sea. Here, the story comes full circle. The chairman of the shareholders’ committee is [another friend of Putin: Gerhard Schröder](#).

The closeness between these three men emerged only recently. Their ties were evident on the evening of 28 April 2014 at around 10.30pm, when Schröder stepped in front of the doors of the Yusupov palace in St Petersburg. Then, a black limousine came speeding down the road. [Vladimir Putin stepped out of the car and hugged Schröder](#), congratulating him on his 70th birthday.

Photos of this scene raised quite a fuss in Germany. Ukraine was at that time [heading into a civil war](#) that was being fuelled by significant Russian support for the separatists in Donetsk and Luhansk. Another [man, in a dark suit](#), appears in the photos. The man is not well known in Germany. It is Matthias Warnig.





Putin (c) and Schröder (3rd right) hug at Schröder's 70th birthday party in St Petersburg, a month after Russia passed a bill to annex Crimea. Photograph: Anatoly Maltsev/EPA Photograph: Anatoly Maltsev/EPA

How did Warnig rise to become one of the key people in Russia's economy? Perhaps even more importantly: how did he become so close to Putin? Our search for the answers leads us far back in time.

## 1974

The pupil from the Niederlausitz region was an easy target for the Stasi officers. They explained that their mission was about nothing less than socialism, which needs to be protected and improved. To do so, they needed talented people like him.

Matthias Warnig, then aged 18 and secretary of the Free German Youth, the official socialist youth movement in the German Democratic Republic, agreed immediately, and **signed up to become a Stasi officer**.

That decision would determine the young man's future. The ministry took all his decisions for him: what career path he should pursue, and what he needed to do to achieve it. Even before graduating from high school, he signed up with the SED, the Socialist Unity Party of **Germany**. He was not drafted into the army - instead he did six months of basic training at a Stasi guards regiment.

On 1 April 1975, his career began. Warnig was trained as an agent in the foreign intelligence department HVA (Hauptverwaltung für Aufklärung or main intelligence directorate). He was to become an OibE, an officer for special purposes (offizier im besonderen einsatz).

He needed a parallel civil life. He studied at the Higher School of Economics in East Berlin, where his fellow students were unaware that Warnig was a secret service agent. His Stasi codename was Ökonom, the economist. He remained an

Oibe during his first job after graduating, which was at the East German ministry for foreign trade - the perfect place to engage in industrial espionage. His private life was quite average; Warnig got married on his 24th birthday and his son Stefan and daughter Claudia were born soon after.

Every spy's dream became reality for the young father very early on, when he was sent into enemy country. Together with his family, Warnig moved to Dusseldorf, then in West Germany, and rented an apartment in the Bilk district.

*Warnig worked as a trade representative, but actually he was an undercover spy. His codename was now Arthur*

Officially, the man who always remained loyal to socialist values was employed at the East German trade mission in Graf-Adolf-street, not far away from the main train station. Warnig worked as a trade representative, but actually he was an undercover spy. His codename was now Arthur.

Warnig was jovial and uncomplicated, so it was easy for him to make new contacts. Born in the countryside of Brandenburg, the Stasi spy knew how to adapt to a new environment. Whether at **Krupp**, Rheinbraun, and Thyssen, BASF, Data Becker or Dresdner Bank, records show it was not difficult for the young agent to get hold of sensitive information.

**After the fall of the Berlin Wall**, other Stasi spies were denied new careers because of their past. For Warnig it was quite the contrary. His career as a spy was the first indispensable building block for a grand career in capitalism, a system he used to despise.

It wasn't a huge problem when West Germany's domestic security agency suspected that Warnig, the man from the East, worked as a spy. He was being followed, but West Germany's intelligence service communicated via the official wire system, which the Stasi had bugged. In 1989, Warnig was ordered back home, where he worked in the headquarters of the secret service in East Berlin.

## **Connections**

Warnig's successful past as a Stasi spy had also allowed him to maintain a wide network of contacts in East Germany, without being too exposed. When the Socialist Unity Party government of prime minister Hans Modrow took office, Warnig was hired as a head of division.

Subsequently, he took part in the negotiations on the German economic and monetary union. During the negotiations, he made another fateful acquaintance. On a business trip to Bonn he met **Wolfgang Rölller, then chairman of the board of**

**directors of Dresdner bank.** Thanks to his charisma, Warnig even managed to win over Rölller, who needed qualified personnel for the bank's expansion towards the east.

“What do you want to do when the GDR is no more?”, Rölller asked the young man, who at that stage was 35 and didn't have a plan. He was grateful for the offer.

Having left the East German intelligence service at the rank of hauptmann (the equivalent of captain), Warnig began his new job on 20 May 1990. His main task: to look after East Germany and the Treuhandanstalt (the Trust Agency, which privatised the East German enterprises). His boss was **Bernhard Walter**, the board member responsible for the former GDR and the Warsaw pact countries. Walter became Rölller's successor, and sent his protégé to London for an apprenticeship in banking.

Warnig was a fast learner. He knew the western capitalist system well, and had the necessary experience and networks in the east, making him a valuable asset. A year after he started at the bank, Walter had an extraordinarily important mission for him: “You do speak Russian, right?” Only bad, school Russian, Warnig replied. “You know the language, that's what you say in your CV,” Rölller countered.

Again, Warnig was in the right place at the right time: he became a sought-after advisor at negotiations on debt restructuring for the crumbling Soviet Union, and for the first steps of Dresdner bank's plans for expansion in the new Russia. He had the trust of board member Walter, who gave him the order to make new contacts across the whole country. His only task: to closely monitor how things were going in Russia. Warnig advised his bank to open an office in St Petersburg. The managers in the Frankfurt headquarters agreed. The new head of the office? Warnig.

### **St Petersburg, October 1991**

Matthias Warnig sat patiently in a paltry anteroom of an office at City Hall. He was desperate to meet the man who worked behind those closed doors: Vladimir Putin. Putin was not yet a top politician, but rather an aspiring civil servant in charge of foreign trade.

Even at that time in his career, though, Putin made his guests wait. Warnig had to sit for eight hours. In 2007 he told *Welt am Sonntag* that in Russia you need lots of stamina; if you need something from a person, and you cannot give a direct order to this person, then you are bound to wait.

Warnig's request of Putin was very important. At the end of the year, Dresdner bank was to open its first office in St Petersburg.

The German's Russian was terrible, and he was accompanied by an interpreter. Putin, who had [spent much of the 1980s as a KGB officer stationed in Dresden](#), listened to the interpreter for several minutes before losing patience.

“Stop that nonsense, let's speak German, I don't have time for an interpreter,” he barked at Warnig, who does not care much for such grumpy behaviour. But the meeting was a success, and Dresdner bank opened its office on 12 December 1991.

Warnig lived in a hotel while his family stayed home in Germany. He felt lonely on the weekends, and Putin regularly invited him over to his dacha. They spoke in German, and drank Jever, a German beer with a Friesian-bitter taste, because Putin's favourite Radeberger was not available. They came to understand that their career paths had been quite similar. They were from the same generation, both married early and both had two kids.

One twist of fate soon brought them closer. In 1993 [Putin's then wife Lyudmila](#) had a life-threatening car accident. Warnig was quick to help, and Lyudmila underwent surgery in Germany. [Dresdner paid for the expenses](#).

Warnig also helped his friend to take part in a seminar in Königstein near Frankfurt, on a topic that is very relevant to St Petersburg: banking regulation. One can assume that Putin took Warnig's readiness to help as some sort of proof of friendship, which he has cherished ever since.



Vladimir Putin and his then wife Lyudmila in 2012. Photograph: Ria Novosti/Reuters Photograph: Ria Novosti/Reuters

In 1993, Dresdner became the first western credit institution in Russia to open a universal bank. According to a close acquaintance, Warnig's motto is: "It's not bad to be good friends with someone."

The ex-spies did not part ways, even when Putin had to reorient himself in 1996. His patron, [the mayor of St Petersburg, Anatoly Sobchak](#), had lost the municipal elections.

Putin, who had risen to the post of deputy mayor, now changed cities and moved to Moscow for a job in the presidential administration at the Kremlin. Over the following winter, the two men spent their winter holidays together with their families in Davos in Switzerland.

In about three years' time, Warnig would be friends with one of the most powerful men on earth. Moreover, he would turn into one of the major power brokers in the Russian economy. Even when, in 2005, his past as a Stasi spy was made public, it did not damage his position. He was too important by then.

## **In Germany**

Warnig never felt at home in Russia, and settled down in south-west Germany. He lives on an impressive estate near Freiburg, in idyllic surroundings, with a splendid view over a fortress. He shares this estate with his second wife Elena, a Russian he met in the late 1990s in St Petersburg. The couple still owns an apartment in a 12-floor building on the outskirts of Moscow.

They left Moscow when their first child reached school-going age. Close friends say Warnig was thinking about Hamburg or Berlin, but chose a home close to the border with Switzerland, because the weather is better.

Warnig founded [MW Invest GmbH & Co KG](#), an asset management company that all of his children have shares in, which invests in real estate in Breisgau, his new home. He had made a very good living in Russia, and his company is believed to manage funds estimated to exceed €10m. Capitalism has served him well.

*He is one of the few who openly speaks his mind when talking with Putin*

He is very secretive about his personal life and prefers not to talk about his past in public. He avoids the media, only rarely giving interviews. He was once asked whether he has Putin's mobile phone number. "Of course not," he replied.

He has kept silent about his relationship with the Russian president from the beginning. He is simply not someone who shoots his mouth off about personal



details.

Some say Warnig is sceptical about Russia's role in [Ukraine](#). "He is one of the few who openly speaks his mind when talking with Putin," said a source close to Warnig. But this obviously does not harm their friendship.

Warnig has long sought to give up his job as managing director of Nord Stream; the pipeline is built, it merely needs maintenance. Both shareholders and Putin, however, asked the manager to stay in the job for the time being. Given the troubled nature of the times, the man from Brandenburg has become even more important for Putin.

Plus, Putin is thought to be eyeing yet another job for his trusted friend. [The state-owned company Gazprom](#) needs a complete overhaul. If Putin opts to give the project a green light, Warnig could become something like Putin's chief advisor. He is unlikely to turn down this offer. There are "no rational reasons", Warnig once said, "to bite the hand that feeds you in Russia".

*This article was translated from German by [Fabian Burkhardt](#). It was [originally published in German in the newspaper Welt am Sonntag](#)*

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There can be no more hiding, and no more denying. Global heating is supercharging extreme weather at an astonishing speed, and it's visible in Germany and beyond. Guardian analysis recently revealed how human-caused climate breakdown is accelerating the toll of extreme weather across the planet. People across the world are losing their lives and livelihoods due to more deadly and more frequent heatwaves, floods, wildfires and droughts triggered by the climate crisis.

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