
Russia media tycoons expand with Kremlin's help

By LAURA MILLS

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The skinny man in a baggy, wrinkled shirt carting groceries back to his car could have been any Silicon Valley programmer, were it not for the Russian license plate on the car behind him.

The grainy photograph is the first to show NSA leaker Edward Snowden in his new life in Russia after leaving the Moscow airport.

The force behind the scoop? A father-and-son team who like to see themselves as Russia's Murdochs.

With a well-oiled system of paying for scoops, the Gabrelyanovs have been able to crawl into every crevice of Russian life from show business to the security services. Their website Lifenews, which published the photo confirmed authentic by Snowden's lawyer, is part of an expanding empire that has come to dominate Russia's media landscape in the decades since the elder Gabrelyanov started off as a provincial tabloid publisher.

A key reason for their recent success: obsequious loyalty to the Kremlin. The father, Aram Gabrelyanov, refers to President Vladimir Putin as the "father of the nation" a fealty that was rewarded when one of Putin's oldest friends spent \$80 million to become a key shareholder in the Gabrelyanovs' holding company, News Media, providing it with a flood of cash for investment.

Its purchasing power and carefully cultivated contacts are what brought Lifenews its first Snowden exclusive: a picture of the systems analyst leaving the airport after Russia granted him asylum on Aug. 1. That was followed on Oct. 7 by the image of Snowden carrying groceries in Moscow. With its savvy for scoops, the company often works as a de facto arm of Kremlin power humiliating Putin's opponents by catching them in all sorts of misdeeds.

But it isn't just the Kremlin that values the Gabrelyanovs.

The public feeds on their coverage, too, because they are among the few people in Russian media still able to break news even if it's with a strong establishment slant enabling them to generate the clicks and the buzz that sterile state media can no longer muster.

Aram Gabrelyanov, who resembles a miniaturized, fleshier version of James Gandolfini, can usually be found barking orders across the sleek newsroom to his army of young journalists. Born to an Armenian builder father, Gabrelyanov has a warm, southern sense of humor, and it's hard for him to go five minutes without whipping out an anecdote.

He first got the bug for tabloid journalism while at university in Soviet times, where he tricked the KGB agent on campus into letting him into the library where foreign publications were kept.

That exposure served him well when he moved to the provincial town of Ulyanovsk in the late 1980s, where he rapidly moved up in the local publishing world. He then relocated to the capital and, after a few hit-and-miss years, made it big in 2001 with his national tabloid Zhizn Life which now has a circulation of 1.6 million.

Today, News Media Holding earns \$1.5 billion per year. In addition to Life, they own Izvestia, once the official newspaper of the Soviet government, as well as another tabloid and three websites. The younger son and heir to the empire, 24-year-old Ashot, runs Lifenews.ru and also a new TV station. There is no substantive division between the holding's publications, which freely feed one another information and scoops that are then retailored for each audience. The elder son, 26-year-old Artem, directs their comic book line, with a host of Russified superheroes that includes an Orthodox priest.

The Gabrelyanovs pay their staff extravagantly in some cases, \$10,000 per month with the understanding that a large chunk of that should be spent on payments to "agents," or the people in law enforcement and hospitals who can feed scoops. Gabrelyanov said he paid between \$10,000 and \$30,000 for the shots of Snowden leaving the airport, and Life journalists have won some of their biggest breaks by bribing their way into hospitals to film Russian mega-stars on their deathbeds.

Aram Gabrelyanov defends the "agent" system as the key to his empire's success: "We categorically won't retreat from this system, it's our business."

One former Life editor-in-chief even boasted about the tactics.

"Before us nobody had ever done anything as systematic, and paid them for it. We spanned the entire city," said Timur Marder, who started as an intern in Ulyanovsk in 1995 and worked his way up the publication ladder to lead Life in 2005 before quitting in 2009 over a personal dispute.

"There were many times," Marder said, "when our journalists arrived at the scene before investigators, the police or the ambulance."

For many of their scoops, the Gabrelyanovs' publications have been widely believed to have relied on tips from Russia's security apparatus and many of those officials frequently make a flattering appearance on the pages of his papers.

That proximity to the security services also has been demonstrated by their hardline stance on Russia's opposition movement, to which they take a hatchet much more aggressively than state-controlled media. When protests erupted in Russia following manipulated parliamentary elections in 2011, Lifenews published phone calls of opposition politician Boris Nemtsov insulting his fellow activists and protesters as "hamsters" and "scared penguins." When questioned on the subject, the Gabrelyanovs insisted that they hadn't tapped Nemtsov's phone but had "received" the files suggesting they came from the security services.

This go-for-the-jugular mentality has allowed Lifenews's star to rise, while viewership of state-controlled television is in steep decline.

Vasily Gatov, an analyst at Novosti Medialab, said state-media have lost their capacity to cover major events. "They think too long about whether we should cover this or not," said Gatov. "He (Gabrelyanov) doesn't wait; he trusts his feelings and his judgment."

Aram Gabrelyanov tries to portray News Media as an outsider organization and insists that it has few high-up contacts and doesn't need them. "You can't recruit the president of the United States," he said, "but you can probably recruit his cleaning lady."

That quip clashes with the fact that Gabrelyanov has spent the last few years cozying up to Kremlin insiders.

It was in the mid-2000s, as Putin was consolidating his power, that Gabrelyanov jumped on the political bandwagon and established one simple rule in his company: Don't mess with Putin. "We do what we can to make him a symbol that unites the country," he said.

The loyalty was rewarded when, in 2008, Putin's old friend Yuri Kovalchuk dubbed "the Kremlin's banker" bought just under half the company for \$80 million. The resulting cash flow allowed the Gabrelyanovs to expand their empire, by opening the Lifenews website and a host of other outlets in the same year.

Gabrelyanov insists he's won the clout to be an independent voice.

"When some bureaucrat talks to me," he said, "I have a question: Who the hell are you and why should I listen to you?"

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