

His case challenged the power of Putin

BY CATHY DYSON
THE FREE LANCE-STAR

Of all the places to find an insider on Russian politics, particularly one who knows what makes President Vladimir Putin tick, who would have thought to look in the woods of Spotsylvania County?

For there, in a \$1.6 million home with lakefront views and bookcases stacked 10 shelves high—as well as walls decorated with photos of people and places from around the world—lives Franz J. Sedelmayer. Born and educated in Germany, he also graduated from the University of Utah, served in the German Army Airborne, then joined the family business, selling defense products.

But perhaps the greatest schooling the 58-year-old received came in the 1990s, during the seven years he did

SEE RUSSIA, A16



Franz Sedelmayer's son, Daniel, (far right) and his fraternity brothers in Austria have helped with Ukrainian relief efforts.

▶ FROM A1

business with the Russian Federation. Convinced that counterterrorism was a growing—and lucrative—field and that Russia was more open to business, thanks to the policies of then-President Mikhail Gorbachev, Sedelmayer made a bid to teach special operations tactics to Russian police forces.

And he was successful, thanks in part to relationships built and friends made, including Vladimir Vladimirovich Putin, a former KGB officer who was deputy mayor of St. Petersburg at the time.

“He used to be a guy like us, right up our avenue, he was a reliable person to deal with in my days in St. Petersburg,” Sedelmayer said in a 2021 video. “He was one of the guys who was a handshake guy. We agreed on something with him and it would be done.”

But Sedelmayer would see with his own eyes—and through the devastation to his own business bank account—how Putin changed as he rose to power. How that absolute power morphed into corruption as the man nicknamed “Volodya” was willing to do whatever it took to retain his chokehold.

It didn’t happen all at once, but slowly and steadily, as Putin chipped away at the foundations of a free society, Sedelmayer said. He created a Russia that not only has bombed the military and civilian targets of its neighbor, Ukraine, but also punished its own citizens who protest the action. Anyone who even mentions war and peace can be arrested, said Sedelmayer, who keeps in touch with associates in both countries and throughout Europe.

“Where Putin is today was unthinkable 20 years ago,” he said.

Last year, Sedelmayer predicted that Putin—who in previous campaigns seized land from the country of Georgia and the Crimean Peninsula from Ukraine while the world watched—would continue to “flex his muscles” whenever he needed to drum up support at home.

“We can expect a lot more violence to come in the next years,” Sedelmayer said in 2021.

‘KILLING EVERYTHING’

Sedelmayer was more than an observer of Russian-style tactics, which he said at times made him feel like he was caught in an episode of “The Sopranos,” an HBO series about a New Jersey crime family.

He was a victim of their way of doing business—or at least the authorities tried to make him one. After he’d built a successful business, SGC International, Sedelmayer equipped and trained police forces, including the KGB’s first SWAT team based on Western principles.

“In those days, all [Russian] law enforcement were military people,” Sedelmayer said during an interview at his home. “You see they haven’t changed their tactics, they’re bombing everything in [Ukraine], they’re killing everything on the



PETER CIHELKA / THE FREE LANCE-STAR

Franz Sedelmayer used insight learned in his case against Russia to become an international consultant.



In 1991, Sedelmayer (right) set up a compound on Stone Island in Russia to train and equip police.



His team traveled throughout Russia by plane after discovering how many doors cash opened to them.

ground. That’s their understanding of a surgical strike.”

Likewise, police would kill everyone—including hostages in such situations—and consider the operation successful, he said.

“Our mission became to introduce them to Western-style modern law enforcement. So any piece of equipment we sold came with training, including how to put on handcuffs because most Russian cops didn’t even have handcuffs in those days,” he said. “They were tying them up with wires or rope, it was like the Middle Ages. They had cars that wouldn’t run, crime labs that didn’t work, it was just a complete disaster.”

As his company progressed, the local police force wanted a piece of the financial pie and tried to take over his business. Sedelmayer appealed to Putin because the two had spent “scores of hours” together when the German first did business in Russia, Sedelmayer wrote in a 2019 opinion piece for *The New York Times*.

“He sat in my headquarters on Stone Island as we conversed, in the almost-perfect German he likes to speak, over beer and Bavarian food. My trust in those early days was based on the fact that he acted rationally and appeared to be sincere in his interest in St. Petersburg,” Sedelmayer wrote. “Putin signed the registration papers for my security company and personally registered them. He advised and counseled me. He helped me expand my business.”

But when his business was threatened, Putin turned a blind eye. Even though Sedelmayer had

signed a 25-year lease on his military training compound, then-President Boris Yeltsin seized it for use as a state retreat.

Putin let it happen, Sedelmayer said, because by then, he had taken a Kremlin post and was on his rise to power.

‘ADETERMINATION’

The German businessman wasn’t about to sit by and do nothing. Sedelmayer sued the Russian Federation, which others had tried but hadn’t succeeded because the country always claimed sovereign immunity.

Sedelmayer not only won his case but he also received a settlement of more than \$7 million from Russia—almost three times the amount for which he had originally sued.

He became “the only man to collect money from Vladimir Putin,” according to the subtitle of the book “Welcome to Putingrad.” He and John Weisman, a regular on the *New York Times* bestseller list, wrote it in 2017 after Sedelmayer got his last payment from Russia.

It’s both a compelling narrative—humorous at times and borderline terrifying at others—as well as look at the mindset and “collective memory” of a people whose leaders historically have ruled with a hammer. It’s also a story that’s particularly relevant these days, said Paul Miller, who lives in the same lakefront neighborhood as Sedelmayer.

“Franz is a talker, outgoing, it’s what he does, as he brings people together by connecting them and has a determination to get things done,” Miller said. “Franz is a good friend and great neighbor.”

Miller said Sedelmayer

shares a trait with the late Colin Powell, Army officer and former secretary of state. “He believes in looking into things for himself” and is careful with experts, who as Powell said, sometimes have more data than judgment.

‘SUPERMAN LOST’

He took his case to a Stockholm arbitration court, but it was hardly one-and-done. Part of Russia’s successful campaign to avoid payouts included wearing down its opponents.

Sedelmayer faced 143 different court cases in three countries. It took him 2½ years to win a judgment but another 12 years for it be enforced—and for him to collect his money.

In the “cigar room” of the expansive home he shares with his Russian-born wife Vlada, Sedelmayer laughed easily—and often—when recounting his experiences. Most times, there was barely the trace of an accent, but when asked why he was successful when others failed, it wasn’t clear if he said he was hungry or ornery enough.

He actually said hungry, but both adjectives might apply.

Sedelmayer “pushed full-court press against a system headed by someone who thinks himself Superman,” said Jack Gosnell, U.S. consul general in St. Petersburg from 1991–94, on the book jacket. “Superman lost.”

Sedelmayer represented himself at times and had two attorneys at others—and ended up paying about \$2 million in legal fees. They sometimes sought measures that hadn’t been tried before to get Russia to pay up. One example involved Lufthansa, Ger-

many’s largest airline.

Every time Lufthansa planes flew into Russian territories, they had to pay Russia fees for using their airspace. Sedelmayer convinced the courts to make him a garnishee of those fees, to be a third party to whom the money would be paid as part of his claim.

Russia didn’t like that and told Lufthansa that if it was going to pay Sedelmayer, then stay out of Russia.

“That whole thing creates a political problem for everyone, which I love because eventually somebody has to pay me because I’m not going anywhere,” Sedelmayer said.

He got such a good education about beating the state-held system, Sedelmayer became a consultant who helps others in the same situation. And he’s been paid to share his story in prestigious settings from Harvard University Law School to gatherings of London litigators.

‘TO WORLD WAR III’

While many of the photos in his home show him laughing, Sedelmayer turns serious when he talks about Ukraine. He’s glad to see the United States and its allies standing up to impose sanctions against Russia after it invaded Ukraine.

“We should have done it literally 10 or 12 or 15 years ago and we didn’t and now the only choice we have is war or no war,” he said. “Think about it.”

He believes his homeland of Germany and his adoptive home of America—he’s here on a five-year investor’s visa—and other NATO countries must give Ukraine the tools they need to survive. Not troops, but armament. Otherwise, there

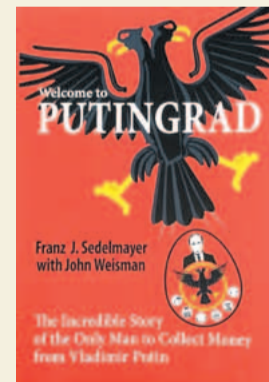
“Welcome to Putingrad” is available on Amazon and as an audio book on audible.com. It describes the historic settlement German businessman Franz J. Sedelmayer received from Russia—after the country seized his business—as well as Sedelmayer’s insight into Russian practices and President Vladimir Putin.

DON’T LAUGH: Putin takes himself seriously and can’t stand someone making fun of him, Sedelmayer said. He’s convinced that if “Saturday Night Live” were broadcast from Moscow and actor Alec Baldwin parodied Putin as he did President Donald Trump, “Baldwin’s corpse would be found one night in his hotel room,” Sedelmayer wrote.

THE BOSS: The writer observed a system similar to the Mafia, that whoever is boss can do no wrong and is almost as infallible as the pope. Every kickback, every perk goes up the chain to the boss who can get away with just about anything, Sedelmayer said, provided he doesn’t offend a higher ranking boss. In Russia, it’s known as the “nachalnik” syndrome. Sedelmayer called it “chutzpah on steroids.”

ÜBER-NACHALNIK: In 2005, Robert Kraft, owner of the New England Patriots, was visiting Putin with other American businessmen. Putin saw Kraft’s \$25,000 diamond-encrusted Super Bowl ring and asked to try it on. Putin did so, commented that he could kill somebody with it and put it in his pocket. When Kraft reached out his hand to get the ring back, Putin walked out of the room with KGB agents, according to the *New York Post*. In Russian society, Sedelmayer said, he hadn’t done anything wrong because he’s the boss, the “nachalnik.”

TRANSLATE THIS: Sedelmayer met his Russian born wife, Vlada, when a colleague hired her as a translator. They’ve been married 29 years and have two children in college. She speaks German, Russian, English, French and Spanish. “She’s the real talent in this family,” her husband said. “I’m just a co-pilot.”



will be no end to Putin’s destruction.

Sedelmayer learned to play hard ball and believes nations who want to preserve democracy better do the same thing.

“They should give the Russians a hard time,” Sedelmayer said. “You have to beat them in the field, you have to help the Ukrainians. It’s not going to lead us to World War III. If we don’t do that, that’s what will lead us to World War III.”

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