

Leon Black's fightback over rape allegations grips Wall Street

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By Lucy Burton,

At the start of a scorching hot week in London, a lawsuit playing out on the other side of the Atlantic kept City bankers firmly glued to their screens.

Leon Black, the billionaire co-founder of US private equity giant Apollo and one of Wall Street's most recognised names, released a 52-page dossier revealing intimate details about his life.

The document included a confession to paying a monthly sum of \$100,000 (£72,585) to former Russian model Guzel Ganieva, who has accused him of rape and sexual harassment. She has also accused Black of defamation and claims he manipulated her like a "master chess player".

Black's lawyers last week filed their own defamation lawsuit, forcefully rejecting Ganieva's case as a "work of fiction".

The rare insight into a high-profile businessman's life comes months after the 69-year-old stood down as chief executive of Apollo and as chairman of New York's Museum of Modern Art (Moma) after it emerged he had paid late paedophile Jeffrey Epstein \$158m for financial advice in the five years to 2017, much more than had previously been reported.

In 2019 he tried to dilute concern about Apollo and Epstein, saying on an analyst call that the press find the topic "salacious" due to its "elements of politics, of me-too, of rich and powerful people".

Apollo is one of the biggest and most influential companies on Wall Street, and the scandal surrounding its former figurehead comes at a time when alarm is building about US private equity's raid on British businesses.

However insiders insist that Apollo, which has recently been circling Britain's fourth-largest supermarket Morrisons, has not been impacted by the saga. Its share price has shot up in recent months. Analysts failed to ask about Black's exit during a quarterly earnings call earlier this year.

'Sick plan'

According to Black's filing he met Ganieva at a party in 2008, when she was in her twenties, and they later started a consensual affair. Ganieva says she told him from the start their relationship would not be sexual.

Black says he then went on to pay for her New York apartment, a luxury car, lavish vacations, tuition fees, a Steinway piano, a \$40,000 commissioned portrait of herself to hang up at home, gifts, furniture and millions of dollars in cash.

He details how he tried to help her find a job in the industry and argued that it was “unsurprising that she was unable to land the precise (and highly coveted) job at Goldman Sachs that she demanded”, responding to her claim that he set up “sham interviews” via his powerful connections as part of a “sick plan” to make her feel grateful and then belittle her.

“After yet another failed Goldman Sachs interview, Black said in a perversely happy manner that he knew her ‘world is shitty’ and used the opportunity to remind her that he is the ‘only one’ who can help her ‘miserable life’,” her lawyers argued last month.

In 2015, Black alleges that she then “threatened to go public about their relationship” and tell his wife, the board of his company and the press about their affair unless he paid her \$100m – an ultimatum his lawyers describe as a “brazen shakedown” that left him “shocked to his core”.

Black’s lawyers say Ganieva initially suggested she was entitled to half of his earnings as she had been “like a wife” to him, to which he argued that having an on-and-off affair for five years was “not akin to marriage”. According to Forbes, Black’s net worth is \$8.7bn.

“Aware that he had become the victim of a criminal extortion scheme, Mr Black began to record his conversations with Ganieva. Those recordings speak for themselves,” his lawyers said.

After 10 in-person meetings that year, the pair then agreed to have lunch at the Four Seasons where Black said he would pay her \$100,000 a month for the next 15 years as well as pay £2m to help her obtain legal status in the UK, in exchange for her never going public about their affair.

She took 12 minutes to review the one-page document, his lawyers said, after which the pair continued to finish their lunch for 45 minutes and shared a Grand Marnier souffle. He claims she laughed that she was “a woman of means now” and later texted him: “Thank you for everything. Talk soon xoxo.”

Ganieva said in her filing last month that he coerced her into the agreement in exchange for forgiving \$960,000 of loans she could not repay. Her lawyers have argued that if she did not take “his hush money” then he would have made sure she ended up “in prison” or he would “destroy her life,” claims which Black denies.

“If a private citizen even had the power to do such things, it is unclear why that person would force millions of dollars upon someone instead of just doing those things,” his lawyers said. They said he made the monthly payments until March this year, when she posted “defamatory tweets” accusing him of abuse.

One of the key arguments in the lawsuit is over a rape that allegedly took place in July 2014. Ganieva claims that Black “barged in” to her apartment when she was sick and raped her. In his filing, Black disputes that account and claims she texted him saying “this is love. I need you” to which he responded saying he was driving back to New York and could he “come over and tuck you in at 10.30”. He alleges that she agreed and asked him to bring a bottle of wine.

‘Hit job’

“He showed up at precisely the appointed time with the wine, as requested, in order to ‘tuck’ Ganieva into bed,” his lawyers wrote.

“A consensual rendezvous plainly had been contemplated by both parties, and Ganieva reached out first thing the next morning with a message of thanks and love: ‘Good morning. It was very nice to see you last night. I already feel better.... I love you and thank you!!! Xoxoxoxoxo and more love.’”

Black’s lawyers question whether Ganieva has been influenced by someone who might want to “wish Mr Black ill”, illustrating the cut-throat world of private equity.

“This lawsuit will reveal who Ms Ganieva really is; what truly motivated this hit job; and whether she is acting alone or is working in concert with, or at the behest of, a third party who might wish Mr Black ill,” they argue.

Jeanne Christensen, Ganieva’s lawyer, said: “Right out of the defense playbook, Black’s counterclaims are an obvious effort at intimidating Ms Ganieva who will continue to aggressively litigate her claims and hold Black accountable for his heinous conduct.”

Whatever the outcome, the document provides a rare glimpse into the private life of one of the most formidable figures in finance.