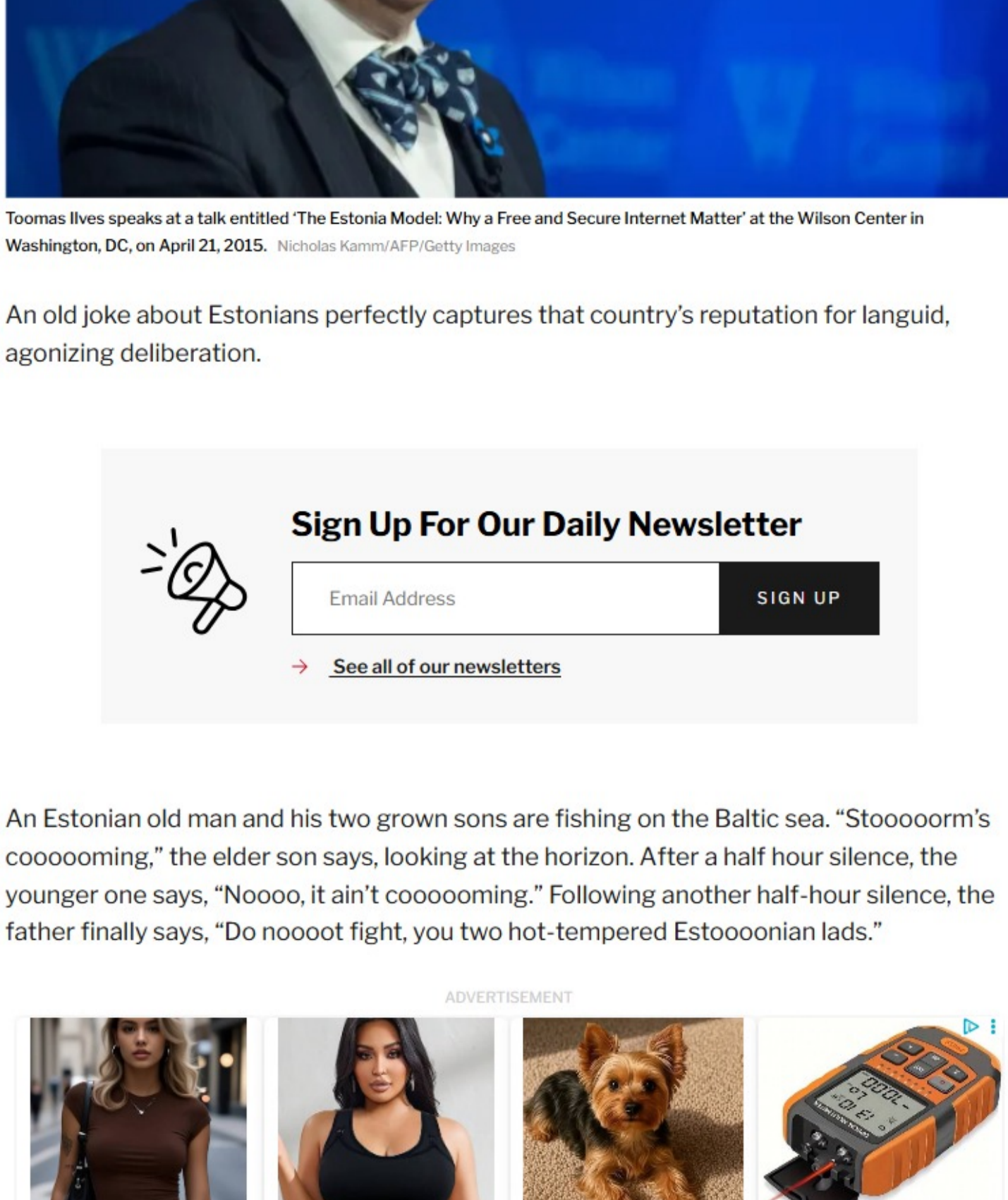


POLITICS · OPINIONS

# Ex-Estonian President Toomas Iives Financed Posh Life on Country Credit Card

Baltic leader leaves for Stanford with a reputation for state spending—on himself  
By Mikhail Klukshin · 02/13/17 11:00am



Toomas Iives speaks at a talk entitled "The Estonia Model: Why a Free and Secure Internet Matter" at the Wilson Center in Washington, DC, on April 21, 2015. Nicholas Kamm/AFP/Getty Images

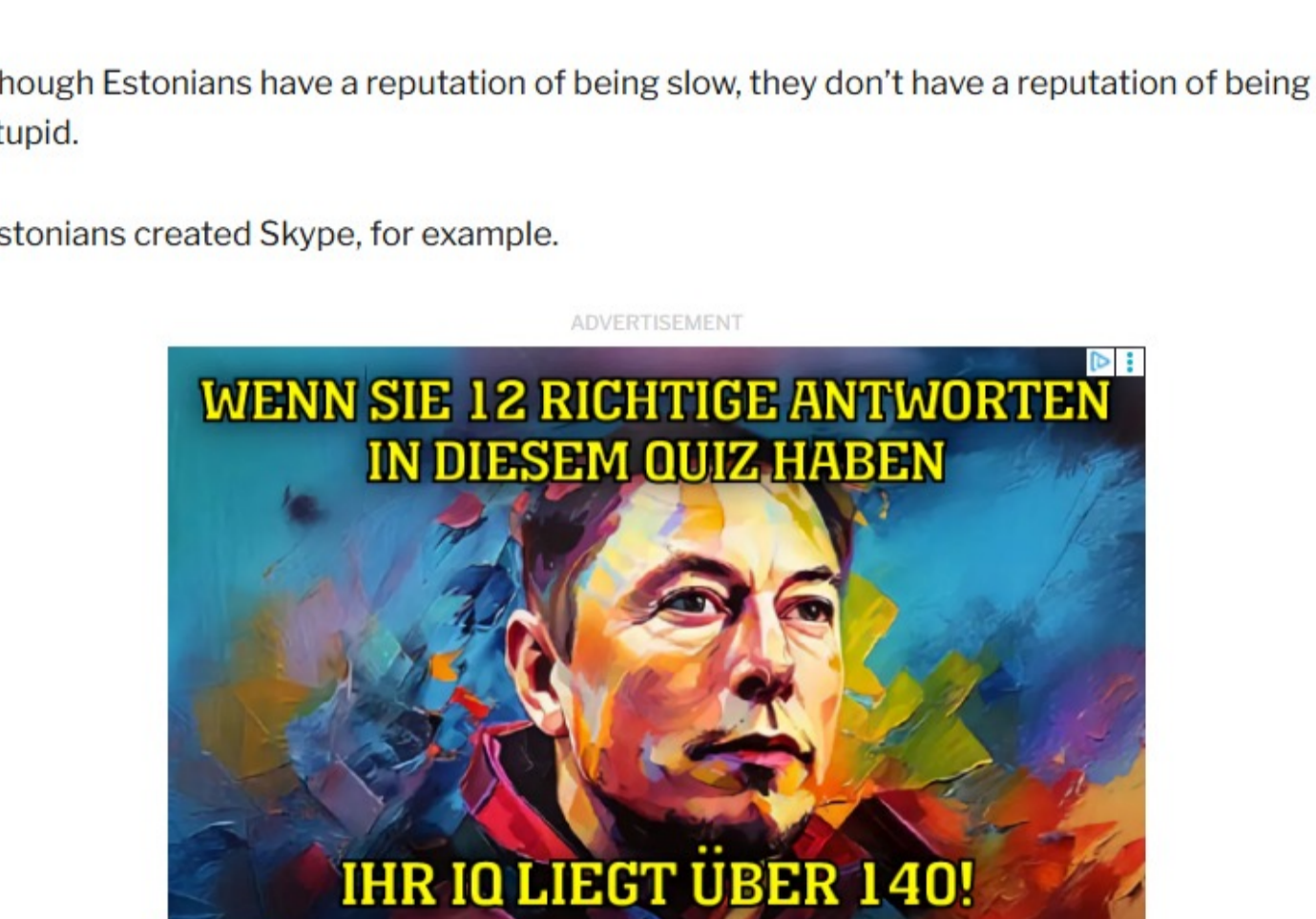
An old joke about Estonians perfectly captures that country's reputation for languid, agonizing deliberation.

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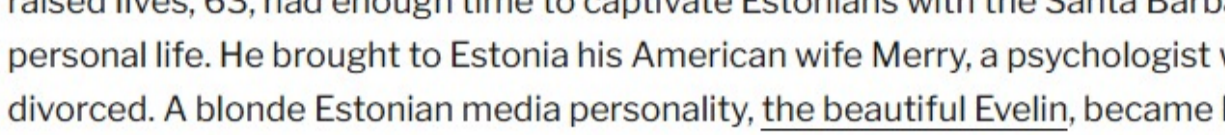
An Estonian old man and his two grown sons are fishing on the Baltic sea. "Stoooooorm's cooooooming," the elder son says, looking at the horizon. After a half hour silence, the younger one says, "Noooo, it ain't cooooooming." Following another half-hour silence, the father finally says, "Do nooooot fight, you two hot-tempered Estooooonian lads."

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Spare bei Temu

Justified or not, oral folklore depicts Estonians—inhabitants of the small Baltic state of Estonia—as slowpokes. An incredible recent accident strengthened this humorous reputation when an impudent crow was able to snatch a passport out of the hands of a pensive Estonian tourist right on the border-crossing checkpoint, creating an international incident. The hilarious video made headlines and added new treasures to the depository of Estonian jokes.



Though Estonians have a reputation of being slow, they don't have a reputation of being stupid.

Estonians created Skype, for example.

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Still, as in the jokes about the slow pace of their thinking process, it took Estonians at least half a year after former President Toomas Hendrik Iives left office to [confirm long-held suspicions](#) about the ex-President's posh life-style.

Before becoming Estonia's President in 2006, Iives reportedly had complained to American diplomats that he did not want to continue his service to the newly-found motherland because he did not come to Estonia to sacrifice his comfortable life in the West for "living on the border of poverty" there.

With a quarter-century-long service to his adopted homeland, Sweden-born and U.S.-raised Iives, 63, had enough time to captivate Estonians with the Santa Barbara of his personal life. He brought to Estonia his American wife Merry, a psychologist who he later divorced. A blonde Estonian media personality, [the beautiful Evelin](#), became his second spouse in 2004.

She was 15 years younger than Iives.

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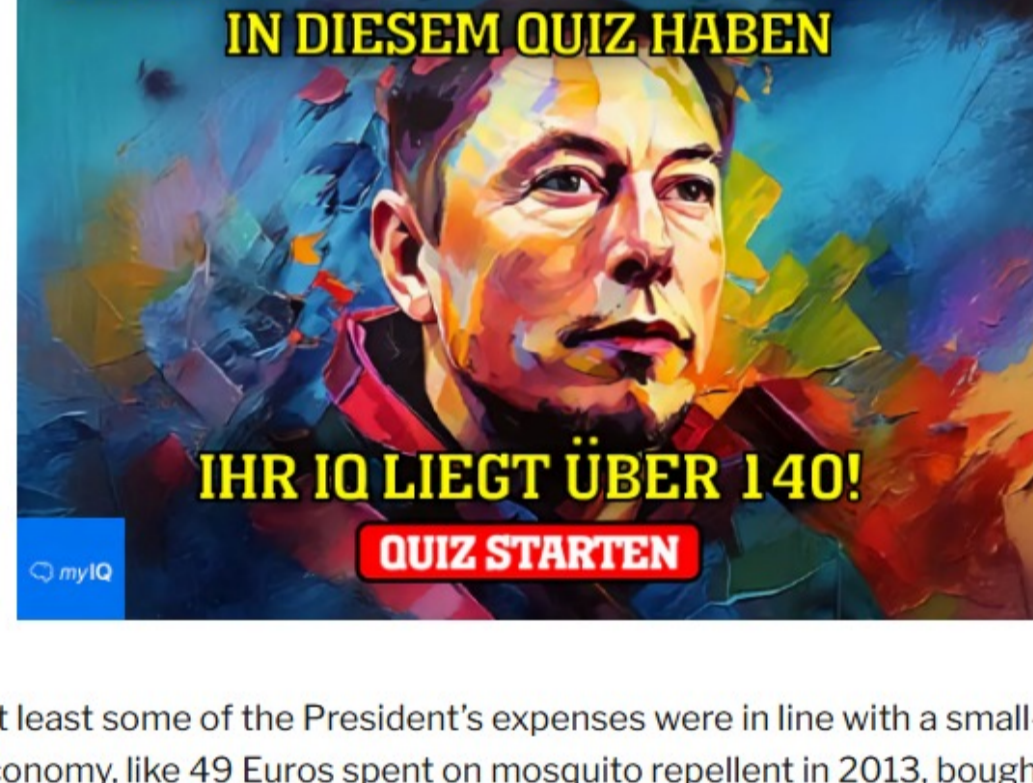
*The ex-Estonian President showed himself to be a generous tipper—especially while in the U.S.—at the expense of Estonian taxpayers.*

The no less beautiful leva Kupce, [a Latvian blonde](#), 24 years his junior, became Iives' third wife in 2016.

The latest marriage is a classic illustration of both Baltic countries' solidarity and Estonia's commitment to the NATO alliance. There was also something royal in Iives last marriage: his new-found love had been the head of the National Cyber-security Policy Coordination Section in the Ministry of Defense of the neighboring country of Latvia, and a former coordinator of Latvian relations with NATO. After their marriage, she continued to work for the Latvian Ministry for Defense while being the First Lady of Estonia at the same time.

There are no secrets between the two friendly European states.

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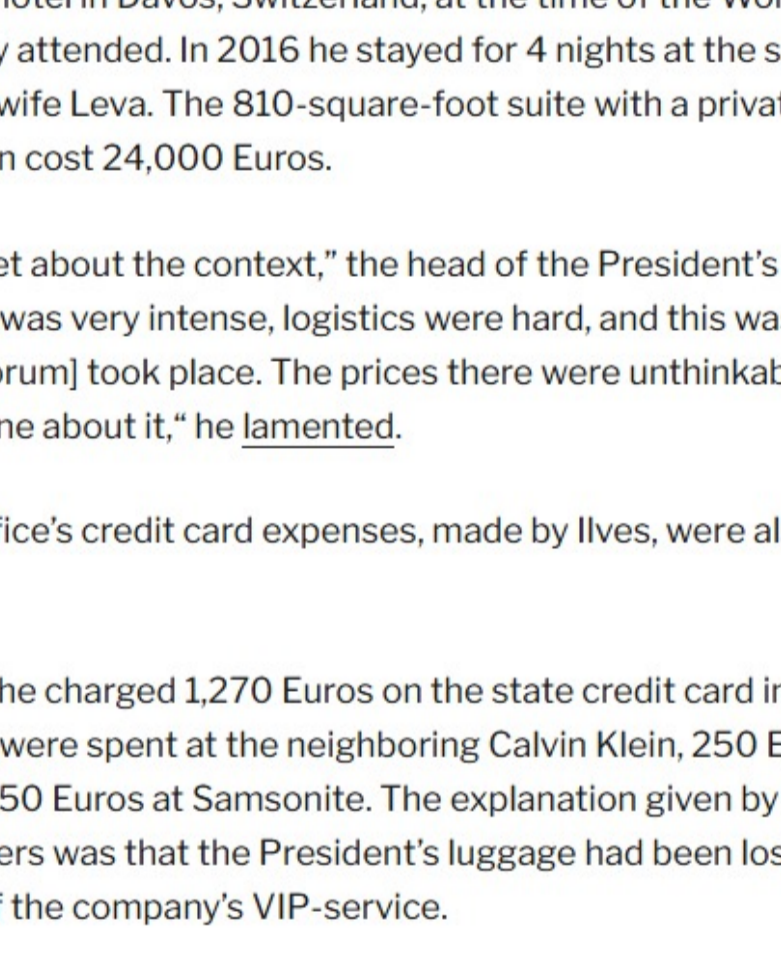
Estonia is a small country with a population of only 1.3 million—half the population of Brooklyn. An average net monthly salary in 2016 was around 900 Euros.

The Estonian President's salary was around 5,300 Euros a month and Estonian First Lady received 30 percent of her husband's salary, adding 1,600 Euros into the First Family's budget.

It took a loooooong time for "hot-tempered Estooooonian lads" to suspect that the preferred lifestyle of their ex-President was more representative of a Russian oligarch or American Silicon Valley guru than of a President of a proud, but frugal, small state. It took a loooooong time for the President's Office to confirm their suspicions.

For about half a year, reporters from the Pealtnagija Estonian TV and Radio Network tried to access to their President's Office's credit card records for the years of 2011-2016—Iives' second term as a President.

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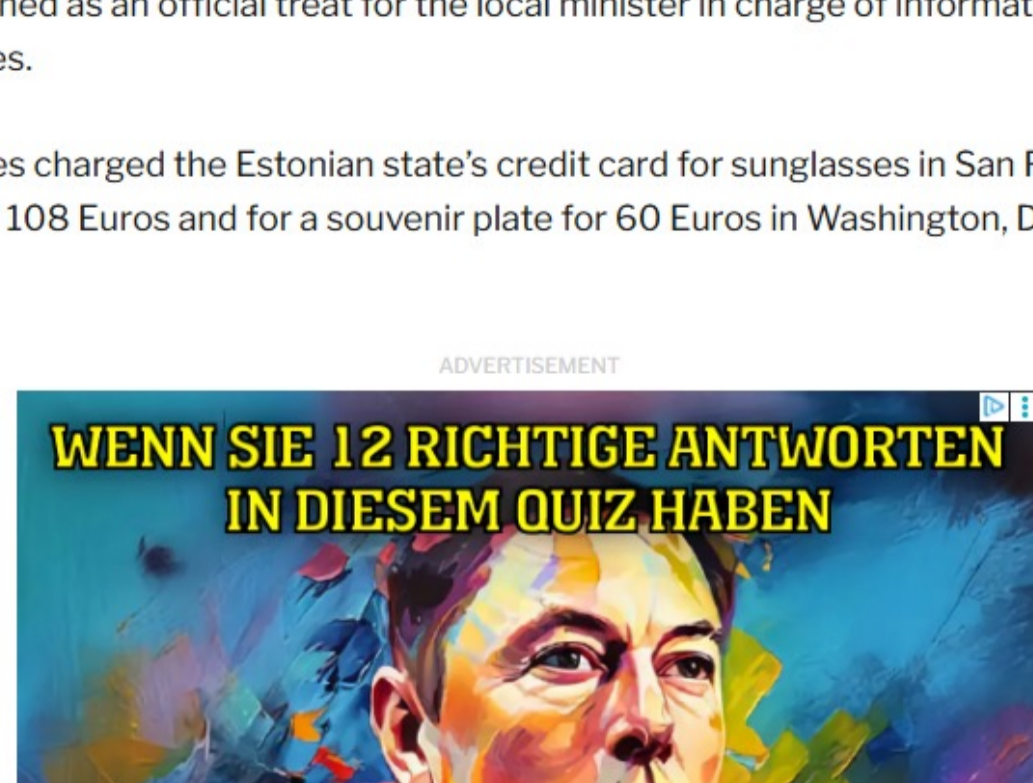
This credit card was meant to cover his "service" expenses (i.e. hotels, food, flowers, transportation, etc) and was not meant for his private purposes.

At first, reporters were given only the columns with the figures of the ex-President's expenses without details as to what the money was spent on. Although President Iives prided his country as the first all-electronic state—trying to brand it "e-Estonia" with every chance he had—the President's Office insisted that such details could have been done only by hand and the Office did not have time for that.

When these details were at last released by the President's Office, some in Estonia, no doubt, regretted that a brazen crow had not snatched the government-issued credit card from the hands of their ex-President in some far-off border-crossing.

The ex-President's state credit card expenses tripled during his second term in office, reaching 94,000 Euros for the first nine months of 2016.

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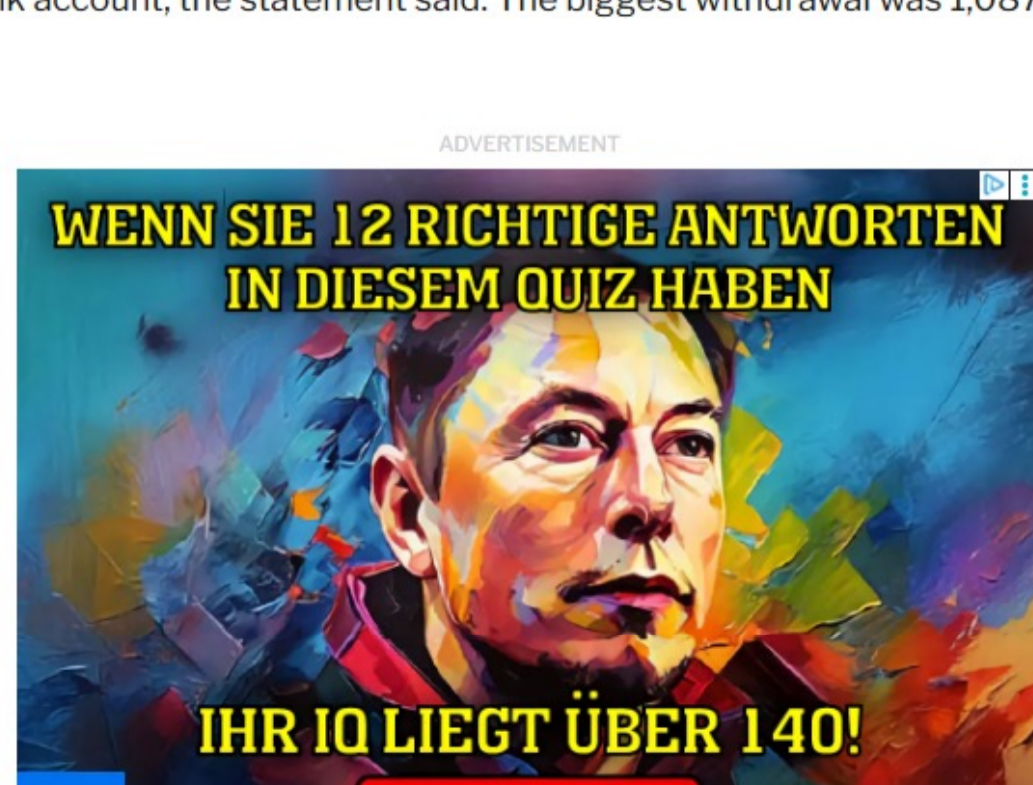
To be fair, at least some of the President's expenses were in line with a small-sized Estonian economy, like 49 Euros spent on mosquito repellent in 2013, bought to protect German President [Joachim Gauck](#) at the Presidential retreat at the Arma Farm.

Others were not.

The lion's share of the money was spent on hotels—Marriott, Kempinski, Hilton, Sheraton, Ritz—during Iives' constant trips around the world to places like London, Abu-Dhabi, Vienna or Montreal.

In April of 2011, three days at the Bayerischer Hof hotel in Munich cost Estonian taxpayers 5,414 Euros. In 2013, two days at London's Cavendish hotel cost 3,857 Euros. There was a long list of hotels of the same rank in the credit card report that the reporters obtained.

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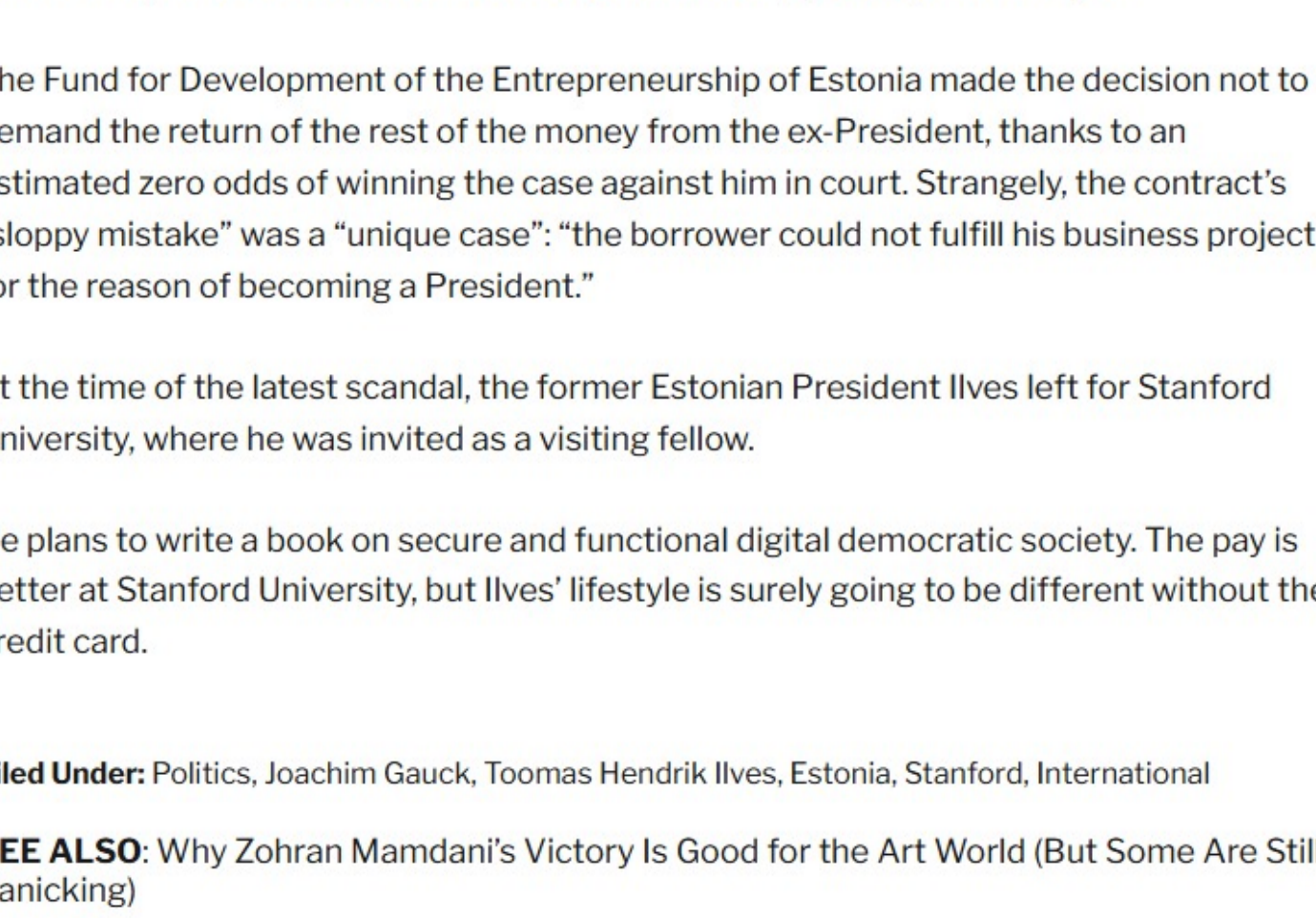
In 2015, 21,000 Euros were paid by the President Office's credit card for a suite in Turmhotel Victoria hotel in Davos, Switzerland, at the time of the World Economic Forum, which Iives regularly attended. In 2016 he stayed for 4 nights at the same hotel with his newly-wed Latvian wife Leva. The 810-square-foot suite with a private sauna, Jacuzzi and view of the town cost 24,000 Euros.

"One must not forget about the context," the head of the President's Office explained later. "The program was very intense, logistics were hard, and this was exactly where the [World Economic Forum] took place. The prices there were unthinkable and nothing could have been done about it," he [lamented](#).

Some President Office's credit card expenses, made by Iives, were also difficult to justify as state necessity.

In 2012, in Warsaw, he charged 1,270 Euros on the state credit card in a Versace boutique; 60 Euros were spent at the neighboring Calvin Klein, 250 Euros—in a different clothes store, and 250 Euros at Samsonite. The explanation given by the President's Office to the reporters was that the President's luggage had been lost by United Airlines—despite the use of the company's VIP-service.

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In September 2013, the Estonian President traveled to the U.N. General Assembly in New York. He arrived several days in advance because he wanted to attend billionaire George Soros' wedding. Both before and during the celebration, Iives ordered personal training in the hotel gym, paid for by Estonian taxpayers. "On the George Soros' wedding the President Iives had to be refreshed and attentive. [He had] to be a President," Siim Raie, former head of the President's Office explained later.

During this visit to New York, Iives bought four tickets to a performance by his favorite rock band Steely Dan, at the cost of \$900, using the state credit card. (Reporters were able to establish that President Iives went to the concert in the company of "one of the employees of his Office" and two bodyguards.)

Another state credit card report showed that during Iives' visit to Romania, a significant amount of wine was ordered to his suite, as well as a spa massage. The expensive bottles were explained as an official treat for the local minister in charge of information technologies.

In 2015, Iives charged the Estonian state's credit card for sunglasses in San Francisco at the price of 108 Euros and for a souvenir plate for 60 Euros in Washington, DC, [Delfi reported](#).

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Big sums of money were spent on restaurants around the world—from oyster bars in New York to "Atmosphere Lifestyle" restaurant, located on the 122nd floor of the highest Burj Khalifa building in Dubai, United Arab Emirates—1,450 feet up in the sky!

On November 24, 2013 Iives put 273 Euros on the state credit card at a Lebanese restaurant "Randa" in London, where he popped up one day before his official visit was scheduled to begin. The next day, Iives had a dinner in "The Cinnamon Club" Indian restaurant in the British capital—the bill was 760 Euros, again paid by the credit card.

Some of the dinners enjoyed by Iives cost up to 2,000 Euros. The ex-Estonian President showed himself to be a generous tipper—especially while in the U.S.—at the expense of Estonian taxpayers.

At least seven times cash was withdrawn with the state credit card from President Office's bank account, the statement said. The biggest withdrawal was 1,087 Euros in Bucharest.

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Reporters believe that since they had to fight with the President's Office for details on every item that was charged to the card, the received spending list is far from being complete.

For his part, ex-Estonian President Iives limited himself only to this statement on all the inquiries with regard to the credit card spending, made by his representative: "State and private expenses of the President were divided."

What remained undivided after Iives left office was the presidential retreat, Arma Farm, of about 200 acres of agricultural and forest land where Iives once protected German President Gauck from pesky Estonian mosquitoes with the 45-Euro repellent.

In the beginning of 2017, one more scandal broke out with regard to the Estonian President. It turns out that in 2012, during the second term of Iives' presidency, the farm that at the time belonged to the company of Iives' second wife Evelin, received a targeted subsidy in the amount of 190,000 Euros from the Estonian government for organizing a tourist business there. Despite his two divorces, the farm remained in Iives' possession, who decided not to continue with his ex-wife's business plan to attract tourists to the farm.

In accordance with the subsidy contract—"carelessly drawn," as it turned out—the ex-President was ordered to return to the state only 10 percent of the subsidy received by Arma Farm, Estonian National TV-Radio portal [err.ee reported](#) on January 31.

The Fund for Development of the Entrepreneurship of Estonia made the decision not to demand the return of the rest of the money from the ex-President, thanks to an estimated zero odds of winning the case against him in court. Strangely, the contract's "sloppy mistake" was a "unique case": "the borrower could not fulfill his business project for the reason of becoming a President."

At the time of the latest scandal, the former Estonian President Iives left for Stanford University, where he was invited as a visiting fellow.

He plans to write a book on secure and functional digital democratic society. The pay is better at Stanford University, but Iives' lifestyle is surely going to be different without the credit card.

**Filed Under:** Politics, Joachim Gauck, Toomas Hendrik Iives, Estonia, Stanford, International

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