

**Testimony of William Browder to the U.S. Helsinki Commission
Hearing Marking the 5th Anniversary of the Magnitsky Act
December 14, 2017**

Chairman Wicker, Ranking Member Cardin, distinguished members of the Commission, thank you for the opportunity to share my views on the Magnitsky Act today.

When my lawyer, Sergei Magnitsky, was murdered on November 16, 2009, after uncovering massive state corruption in Russia, it was the most heart-breaking moment of my life. Sergei had been killed because he was my lawyer. He would still be alive today if he hadn't worked for me.

As I began the fight for justice for Sergei, I encountered all sorts of opposition in Russia and abroad. I could never have imagined that day when I learned of his murder that there would someday be a U.S. human rights law bearing his name. But five years ago today, on December 14, 2012, the President of the United States signed the Sergei Magnitsky Rule of Law Accountability Act into law.

Moreover, on the day it passed, I could never have predicted how far the Magnitsky Act would spread around the world. Without exaggeration, it has become the most important piece of human rights legislation passed in this century.

As I sit in front of you today, I want to underline that the entire Magnitsky movement started right here at the Helsinki Commission nine years ago.

In April, 2009, when Sergei Magnitsky was still alive, I met Kyle Parker, a staff member at the Commission. I briefed him on how Sergei had been falsely arrested and imprisoned in retaliation for uncovering and exposing a \$230 million tax rebate fraud committed by officials of the Russian state. Upon hearing the story, Mr. Parker recommended that I present Sergei's case at a full Commission hearing in the summer of 2009. It was at that point that Senator Cardin became aware of Sergei's story.

When Sergei was murdered on November 16, 2009, Senator Cardin immediately took it upon himself to see that this terrible injustice would not go without consequences. He worked with Senators Wicker, McCain and Lieberman as well as the Helsinki Commission staff, and together they introduced the Magnitsky Act in October, 2010. Representative McGovern led the parallel effort in the House of Representatives.

They did so at a moment when the U.S. government's policy was to reset relations with Russia. At the time, the U.S. Administration was firmly against antagonizing the Russian government in any way, and based on the public feedback of the Russian government, the Magnitsky Act would do just that.

Even though it appeared that the bill had little chance of passage due to the president's opposition, I was overwhelmed and touched to see so many Russian activists like the late Boris Nemtsov, Ludmila Alexeeva and Garry Kasparov take up Sergei's cause and publicly call for a Magnitsky Act to be adopted. Having this public discourse was a small measure of justice in and of itself.

It turned out that everyone's pessimism was misplaced. The nearly biblical nature of Sergei's sacrifice took on a life of its own and created a rare moment where morality would overcome the cold calculations of realpolitik.

The bill came up for vote in Congress in November, 2012, winning overwhelming bi-partisan support. It passed the House 365-43 and the Senate 92-4. It was signed into law by President Obama on December 14, 2012.

The power of the Magnitsky Act did not stop there. Senators Cardin, Wicker and McCain realized that they had stumbled onto a new technology for dealing with human rights abuse. In the past, murderous dictatorships like the Khmer Rouge didn't go on vacation to St. Tropez and South Beach, but in today's globalized world these kinds of dictators do. The Senators asked, "Why shouldn't the Magnitsky Act be applied globally?" and in 2015 launched the Global Magnitsky Act.

Because the bill continued the Magnitsky legacy, the Kremlin was dead set against it. In the spring and summer of 2016, the Kremlin-linked lawyer, Natalia Veselnitskaya, worked with a team of expensive DC lobbyists, PR firms, private investigators and other operatives, sparing no expense to try to stop the Global Magnitsky Act or to have Sergei's name removed from it. Thankfully, these efforts were not successful.

After the bill passed with a similar overwhelming majority in both Houses of Congress, the president signed the Global Magnitsky Act into law on December 23, 2016.

After this, the dominoes began to fall around the world. In December, 2016, the Estonian Parliament passed the Estonian Magnitsky Act by a unanimous vote of 90-0. In May, 2017, the British Parliament passed their equivalent to the Magnitsky Act into law, allowing the British government to seize assets of human rights violators. In October, 2017, the Canadian Parliament voted 277-0 in favor of a Canadian Magnitsky Act. Then, on November 16, 2017 — the eighth anniversary of Sergei's murder — the Lithuanian Parliament passed their Magnitsky Act 71-0.

Parliaments in Ukraine, South Africa and Gibraltar are each drafting their own Magnitsky Acts and will be considering them in the near future. We're working with parliamentarians in other countries to introduce similar Magnitsky legislation.

All of this started here. I could never have imagined that a single hearing at the Helsinki Commission would have turned into this historic global justice movement.

Critics of the Magnitsky Act claim that all it does is antagonize Vladimir Putin and is not effective. However, the evidence points to the contrary.

When Mikhail Khodorkovsky, the oligarch who crossed Putin and who was imprisoned for nearly ten years, was released in 2014, he told me that after the Magnitsky Act passed there was a noticeable improvement in the treatment of prisoners. The guards were all terrified of being added to the Magnitsky list themselves.

Russian judges are equally scared of being added to the Magnitsky list. Not a month goes by without a headline from the Russian courts where Sergei Magnitsky's name is mentioned as other victims highlight their own abuse.

Most importantly, we know how effective the Magnitsky Act is because of Putin's own reaction. In 2012, he publicly stated that repealing Magnitsky-like sanctions was one of his single largest foreign policy priorities. This led to a whole series of efforts culminating in the now notorious meeting between Natalia Veselnitskaya and Trump representatives at Trump Tower. This exhaustive campaign underlines just how high a priority this is for Putin.

For me, Putin's desire to discredit the Magnitsky Act came at a high personal cost.

In July, 2013, shortly after the Magnitsky Act was passed, Putin put me on trial *in absentia* for trumped-up tax charges along with Sergei Magnitsky, three years after Sergei's murder. Sergei was the first person to be tried posthumously in Russian history. We were both found guilty and I was sentenced to nine years in a Russian prison colony.

Even before this verdict, the Russian government applied to Interpol for a Red Notice for my arrest. They also applied to the British authorities to have me extradited from the U.K. Both of those requests were refused because they were deemed to be illegitimate and politically motivated.

But that didn't stop Putin. He was so angry that, in spite of the previous rejection, his government re-applied to Interpol four more times. The most recent Interpol request from Russia came on the same day that the Magnitsky Act was signed into law in Canada in October, 2017. This request and all others have been rejected. In fact, after this last rejection, Interpol has sent a notice to all member states instructing them not to cooperate with Russia on any further attempts to have me arrested.

Putin was no more effective in his attempts with the British government. The Kremlin applied to U.K. law enforcement agencies a dozen different times for mutual legal assistance and my extradition. All of these requests have been firmly rejected by the British government.

Even though Putin fails every time, he hasn't given up. When the bogus tax-evasion charges went nowhere, he decided to escalate with even more ridiculous allegations against me. The Russian government accused me of stealing \$4.8 billion of IMF funds destined for Russia during the 1998 currency collapse; they accused me of being an MI6 and CIA dual agent intent on

destabilizing Russia; they accused me of being a serial killer, responsible for the murder of Russian criminals who were involved in the \$230 million tax rebate fraud; and finally they even accused me of killing Sergei Magnitsky himself.

Putin's rage was not confined to absurd criminal accusations. He's taken more traditional criminal approaches as well. Kremlin agents have made multiple death threats against me. The most serious of which came from Dmitry Medvedev, the Russian prime minister, who told a gathering of journalists at the World Economic Forum in Davos in 2013 that, "It's a shame that Sergei Magnitsky is dead and Bill Browder is alive and running around." In the summer of 2015, I received a message from a senior U.S. official that the U.S. government was aware of efforts to organize a rendition plot to illegally kidnap me and bring me back to Russia.

Why is Putin so invested in this? Because this goes to the core of his kleptocratic regime. Unlike in Soviet times, today the Kremlin does not commit crimes for ideological reasons. They commit crimes for money. In this case, the theft of \$230 million. Over the last eight years we've investigated who got that money and found that Putin himself was a recipient of proceeds of this crime through his closest childhood friend, Sergei Roldugin, a famous cellist.

We have also discovered that the head of the Russian tax office, Olga Stepanova, who authorised the illegal tax refund, as well as two other tax officials, Olga Tsareva and Elena Anisimova, also received proceeds from the crime.

In 2013, the U.S. Department of Justice discovered that a company owned by Denis Katsyv, the son of the former vice-chair of the Moscow region, where some of the cover-up of the crime took place, was also a recipient.

This summer we discovered that a Russian/Syrian national named Issa al-Zeydi received millions from the fraud on a corporate account in Cyprus. Issa al-Zeydi was named by the U.S. Treasury as a person providing material support for the Assad regime.

At present, a dozen countries have launched criminal investigations into the recipients and launderers of the stolen \$230 million that Sergei Magnitsky uncovered. We expect more individuals and companies will be exposed and charged in the future.

Putin's reaction has been so extreme because it is crimes like this that lubricate the functioning of his kleptocracy.

In spite of enormous efforts by the Russian government, Putin has not been successful at repealing the Magnitsky Act or preventing it from spreading around the world.

However, there is still a lot more that needs to be done, and this is where the Helsinki Commission can act.

First, the number of people sanctioned is woefully inadequate. The U.S. government is in possession of evidence linking at least 282 Russians directly to the Magnitsky case, all of whom should be targeted under the Magnitsky Act. So far, only 35 have been sanctioned. Every

December a new Magnitsky sanctions list is published by the U.S. Treasury. I hope this year's list will be robust and responsive to the long backlog of people who still should be sanctioned. I also hope that many other cases of gross human rights abuse in Russia get the attention they deserve.

Second, one of the key perpetrators of the crime that led to Sergei's death, Dmitry Klyuev, appears to be running circles around the U.S. Treasury Department, the agency that enforces the Magnitsky Act. Klyuev was added to the Magnitsky List in 2014 but pre-emptively moved many of his assets into the names of nominees in order to evade sanctions. We've informed the Treasury Department about his alleged sanctions evasion but so far the nominees remain free to manage the assets without consequence. This is an issue that goes well beyond Klyuev.

Third, the rise of Bitcoin and cryptocurrencies will likely create a new way around these sanctions for the Putin regime. As of now, the Magnitsky sanctions are highly effective because once a person is on the Magnitsky list, they become pariahs in the international financial system. The moment a person's name hits the U.S. Treasury sanctions list, no bank in the world wants to do business with that person to avoid being in violation of U.S. sanctions. Unfortunately, Bitcoin and other anonymous cryptocurrencies allow people to bypass the financial system and conduct financial business anonymously. This is an issue which requires the urgent attention of the U.S. and other Western governments in relation to Magnitsky sanctions as well as all other sanctions programs.

Fourth, there is a provision of the Magnitsky Act which requires the U.S. government to encourage other countries to adopt Magnitsky Acts. I believe it should become an explicit U.S. policy to promote the Magnitsky Act at every opportunity.

The next G7 summit will be held in June, 2018, in La Malbaie, Quebec, Canada. This meeting would be an appropriate moment for the U.S. and its partners to advocate for the remaining G7 countries that do not have Magnitsky Acts — Germany, France, Japan and Italy — to adopt their own as soon as possible. More broadly, the U.S. should use its position at the OSCE and the U.N. to further advocate for Magnitsky sanctions around the world.

In conclusion, I'd like to thank the Helsinki Commission for its historic work on the Magnitsky movement and encourage the Commission to double down given the momentum and success of this legislation.

