

## OVERVIEW OF RECENT PUBLICATIONS REGARDING BILL BROWDER

In light of recently published materials that uncover various inaccuracies, inconsistencies and contradictions in Browder's story, we believe that it is highly problematic to rely on information provided by Browder or on any publication echoing his narrative.

One of these materials is the judgement issued by the European Court of Human Rights in Strasbourg which confirms facts that are contradictory to the story told by Browder.

Other relevant materials include articles of investigative journalists who appear to have conducted their research separately and independently, in several countries. These publications present facts from which the following conclusion can be drawn: In an effort to escape extradition to Russia, where Browder expects a nine years' imprisonment following his conviction of criminal tax evasion, Browder has fabricated a narrative that presents himself as a victim of Russian corruption; and through his lobbying activities in many countries, and by filing complaints with law enforcement authorities (none of which seems to have resulted in any conviction), Browder attempts to secure the status of a human rights activist and a whistleblower, thereby avoiding extradition and imprisonment.

Some of these articles (which Browder has in some cases attempted to conceal, *inter alia*, by threats of libel lawsuits) also explain how Browder uses the media to promote his narrative. A recently published book<sup>1</sup> exposes Browder's tactics of media manipulation. It describes Browder's methodology of first going to the press, then sending complaints to authorities based on newspaper articles, then ensuring those complaints end up in the hands of reporters, thus paving the way for more articles of a similar nature.

We will hereby present to you a few of those materials.

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### A. European Court of Human Rights – the case of Magnitsky and others v. Russia

According to a final [judgement issued by the European Court of Human Rights \(ECHR\) on 27 November 2019](#)<sup>2</sup>, the decision to arrest Magnitsky in 2008 was not arbitrary and was based on reasonable suspicion that he committed a criminal offence of tax evasion in connection with companies controlled by Browder. ECHR stated in its judgement that Magnitsky was arrested after it was discovered that he had influenced witnesses, had not been residing at his registered address when the investigator had attempted to summon him, and had been preparing to flee abroad.

ECHR confirmed that inadequate medical care given to Magnitsky, who became critically ill while in prison, is the reason that led to his death, and did not accept the complaint that Magnitsky was beaten to death by prison guards.

These findings of ECHR indicate that the story told by Browder is ill-founded, at least as far as it relates to the circumstances leading to Magnitsky's arrest and death.

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<sup>1</sup> ["Man of Power – A True Story About Bill Browder, Money Laundering and Media Manipulation"](#), Abild & Dyrekilde, June 2020.

<sup>2</sup> [Case of Magnitskiy and others v. Russia: Applications nos. 32631/09 and 53799/12 – Final Judgement dated 27 November 2019.](#)

## B. Der Spiegel articles

- [Questions Cloud Story Behind U.S. Sanctions, 26 November 2019](#)
- [Why Der Spiegel Stands Behind Its Magnitsky Reporting, 17 December 2019](#)

An [article published on 26 November 2019](#) written by Benjamin Bidder, reported on the background of the so-called Magnitsky sanctions. The sanctions, applied by the U.S. and other countries, are largely based on information provided by Browder, and are related to the death of Sergei Magnitsky. Der Spiegel's article describes the inconsistencies, contradictions and unproven claims in the story told by Browder.

In response to Browder's protest to Der Spiegel's editors, Der Spiegel published [a more detailed report on 17 December 2019](#), providing evidence and numerous sources that, according to Der Spiegel, reveal the actual facts, as opposed to the story fabricated by Browder.

Subsequently, Browder filed a complaint with the German Press Council. [The Council dismissed Browder's complaint.](#)

Following are a few examples of the inconsistencies and misrepresentations in the story told by Browder, as highlighted in Der Spiegel's articles:

1. Browder: Magnitsky was murdered in prison by Russian officials.

Facts: None of the reports cited by Browder (including those published by the Moscow Human Rights Commission, Physician's for Human Rights, and the European Court of Human Rights) asserts that Magnitsky was murdered, and there is no evidence of a targeted murder.

2. Browder: Magnitsky was my lawyer.

Facts: Magnitsky was not a lawyer, but rather an accountant and a tax advisor. In April 2015 Browder testified under oath that he knew that Magnitsky was not a lawyer.

3. Browder: Magnitsky accused the officers Karpov and Kuznetsov, who raided the offices of Hermitage, as involved in the \$230 million Russian tax fraud.

Facts: Magnitsky never accused these officers in the tax fraud, as he only named them as participants in the raids. In fact, Karpov had been investigating Hermitage for tax evasion since 2004, and that was the reason for the raid. Magnitsky's lawyer, Dmitry Kharitonov, has stated several times that Karpov had no role in the prosecution of his client.

4. Browder: The reason for the raids was to steal the Hermitage companies and commit the \$230 million Russian tax fraud.

Facts: Browder was extremely aggressive in tax avoidance measures, which included registering shell companies as businesses in Kalmykia (a remote province in Russia where tax benefits are given to local entrepreneurs), hiring mentally disabled people and describing them as "analysis division experts" to take advantage of Russian tax breaks for firms with disabled employees. The Russian authorities were investigating these practices.

5. Browder: My team was able to track the money of the \$230 million tax fraud, and to name some of the people who received that money.

Facts: When testifying under oath in 2015, Browder was unable to explain how he and his people managed to track the flow of money.

### C. [“The Browder Hoax”](#) – articles written by Lucy Komisar

Lucy Komisar is a New York-based investigative reporter who writes about financial corruption, tax fraud and money laundering, and who won an important prize in financial journalism. Komisar has written several articles scrutinizing Browder’s story, and supported her findings with many original sources and documents.

Following are a few examples of Komisar’s findings, as described in articles published on her [website](#):

1. A Russian court found that Magnitsky in the interests of Browder in 1997-2002 implemented an illegal tax evasion scheme using firms registered in Kalmykia and managed by Hermitage Capital.
2. Browder has changed his story several times, including with respect to how Magnitsky died.
3. Browder repeatedly states that the original corporate documents, stamps and seals seized by the Russian police in 2007 were used to re-register his companies. Komisar demonstrates that such original documents, stamps and seals are not necessary for re-registration of a company.
4. Komisar provides evidence that Browder himself was behind the \$230 million tax refund fraud, and that his story about Magnitsky is a cover-up.

### D. **Man of Power – A True Story About Bill Browder, Money Laundering and Media Manipulation**

[This book, written by Danish investigative journalists Lars Abild and Birgitte Dyrekilde](#), was published in June 2020. The book describes in detail Browder’s strategic use of the media to further his business and political goals. It explains how skilfully Browder used the media to avoid extradition to Russia, as well as any discussion of his tax evasion practices. The book also examines how Browder travelled from country to country, handing complaints over to the authorities. The authors describe how in most countries the complaints have been shelved, and in no country has Browder been successful in proving his claims.

Following are a few of the findings elaborated in this book:

1. In 2002 Browder explained how he used lawsuits and the media for business purposes: “We have been involved in 32 lawsuits. And we win in terms of public attention regardless of the outcome, where we’ve lost 31 times. I think the proportion of number of words written in the press when a lawsuit is initiated to when it is dismissed is 50 to 1... Originally, we would give one reporter the whole story. They would check every bit of it out, get the other side’s point of view... Now we give a small piece of the story to a journalist and let them know that we’ll give it to someone else in three days if they don’t write anything. It seems that journalists are more concerned about losing the story to a competitor than almost anything else.”
2. Browder has a history of asserting things without any proof or evidence to back up his statements. For example, he writes in his book about Putin making deals with the oligarchs, and at that point he admits that he wasn’t there and is only speculating, but over time the story becomes solidified.
3. Upon examination of Browder’s many assertions, the authors conclude: “In his world, it didn’t take proofs or documentation to claim something in the worldwide media. He simply said it. He was the sender; the witness of truth. Somehow his victims, high or low, ended up in a position where they would have to refute his claims in the press.”
4. Browder begins publishing YouTube videos in October 2009 to promote his version of events. The authors detail how Browder began making accusations against Russian officials and Russian corruption to deflect attention from his own tax evasion charges.
5. Browder complained to the Austrian prosecutor about money laundering in Austrian banks. When the prosecutor had not responded, Browder took the story to the press. Ultimately, the bank was found to have complied with the anti-money laundering regulations and Browder’s complaint was abandoned.

## **E. “The Magnitsky Act – Behind the Scenes” – film and supporting materials**

“[The Magnitsky Act – Behind the Scenes](#)” is a film completed in 2016, produced in Norway by Piraya Film, and supported by a number of European film funds and the public Franco-German TV network Arte TV. The original purpose of the filmmakers was to make a docudrama of the Magnitsky affair. Andrei Nekrasov, the director, intended to base his film on Browder’s narrative.

However, during the making of the film, Nekrasov found various inconsistencies in Browder’s story, which led him to further investigate. The film alleges that Browder misled western politicians and media into believing that Magnitsky was a whistleblower persecuted and killed for exposing corruption.

According to [The New York Times](#), Browder has made significant efforts to block the screening of the film, including by threats of a libel lawsuit.

Amongst others, the film presents the following examples of inaccuracies and inconsistencies in Browder’s story:

1. Browder claims that the tax evasion charges against him came as a result of Magnitsky being a whistleblower. In fact, Browder’s problems with the Russian tax authorities go back to 2002, well before he was banned from entering Russia in 2005 or the \$230 million tax fraud in 2007.
2. Browder asserts that the purpose of the raids was for police to seize corporate documents and original seals in order to re-register his companies. In reality, these documents and seals are not necessary to re-register a company. Browder conceals the fact that the raids were related to a tax investigation against him and his company.
4. Browder says that Magnitsky was the first person to report the crime. The truth is that Rimma Starova was the real whistleblower, as she made a complaint to the police on 9 April 2008, before Magnitsky was questioned by the police in June 2008.
5. Browder claims that he was very busy trying to secure Magnitsky’s release from prison. However, when Browder testified under oath, he admitted that he never consulted with Magnitsky’s lawyers and doesn’t remember if there was any coordination between his team and Magnitsky’s lawyers although they were being criminally charged together.
6. In Browder’s book he describes a tireless campaign to secure Magnitsky’s release. In reality, when testifying Browder could not remember any details or efforts. Browder did not bring Magnitsky’s arrest to the attention of any press while he was still alive.

On the film’s website [additional information](#) is presented.

Particular attention should be drawn to the [Open Letter to the President and Vice President of the European Commission](#), as published by Andrei Nekrasov on 21 September 2020.

## **F. Other articles published by mainstream media**

Two major Danish newspapers, [Finans](#) and [Berlingske](#), have published articles regarding Browder, questioning his credibility and motives. Browder complained to the Danish Press Council about the article on Finans. The [Press Council dismissed Browder’s complaint](#) and found that Finans had not breached good press practices. These articles can be found online also in English.