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Alleged Russian corruption detailed

By CBC News
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A Dutch documentary about a Russian lawyer who exposed alleged fraud by government officials is set to be shown in the legislatures of Canada, Britain and the U.S. on Tuesday.

That is exactly a year after Sergei Magnitsky, a 37-year-old father of two, died in a Russian jail - tortured to death, according to his supporters.

Russia is expected to be asked to join a European missile-defence system at a meeting next weekend with the NATO countries. However, "it can't be business as usual with Russia so long as there is this pervasive culture of corruption but, more important, this culture of impunity," said Liberal MP Irwin Cotler, who is leading the effort in Canada,

Magnitsky was working for Hermitage Capital Management, an international investment fund that at one time was the largest portfolio investor in Russia, CEO William Browder told a parliamentary subcommittee in video testimony on Nov. 2.

Hermitage's Russian companies were reregistered under another name after police raided its office and took away documents, he said. Magnitsky was among the lawyers hired to deal with the situation, and he found that the documents had been used to create \$1 billion worth of fake liabilities for the companies.

Fake documents, lawyers, liabilities

"Those documents were then presented in a Russian court. Fake defence lawyers whom we had never hired showed up in court and pleaded guilty to \$1 billion of fake liabilities. Those fake liabilities were then used by the police to go around to all of our banks to try to find all the assets that we had in Russia," Browder said.

Hermitage had already removed its assets from Russia, but then Magnitsky found out that the fake liabilities had been used to apply for a \$230-million tax refund. "On Christmas Eve of 2007, the largest refund in Russian tax history was granted with no questions asked," Browder said.

Magnitsky testified against the police officers who raided the Hermitage office. Within a month, he was arrested and pressured to withdraw his testimony.

"After six months of sleep deprivation, freezing temperatures, unsanitary conditions, and bacteria-ridden water, Sergei became sick. He lost 48 pounds and started having severe abdominal pains," Browder told the committee.

An operation was recommended, but denied. He died in jail.

Russian President Dmitry Medvedev called an investigation, but the Interior Ministry on Monday accused Magnitsky of participating in a Hermitage plan to embezzle \$175 million from the government, the Moscow Times reported.

The documentary *Justice for Sergei* was made by Hans Hermans and Martin Maat, who founded the Dutch company ICU Documentaries. They made the film because they were "touched by the horrific ordeal of Mr. Magnitsky," the company website said.

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