

# The Sunday Telegraph

## Sergei Magnitsky: family remember Russian lawyer one year after his death

The case of Sergei Magnitsky, the Russian lawyer who died in prison, is being brought to the attention of MPs this week, a year after his death.



Sergei Magnitsky is believed to have uncovered one of the biggest tax frauds in Russian history

By Andrew Osborn, Moscow 14 Nov 2010

In the eyes of his supporters, he was a martyr in the fight against corruption, who paid the ultimate price for exposing Russia's biggest-ever tax scandal. In the eyes of the authorities, though, Sergei Magnitsky was a criminal suspect himself, whose death while awaiting trial in a "dungeon-like" prison merited no further investigation.

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Now, exactly a year after he was found dead in a filthy, squalid jail cell, Mr Magnitsky's mother and colleagues are to mount a brazen challenge to Moscow's official silence with a specially commissioned documentary to be shown to British parliamentarians on Tuesday.

"So far nobody has explained what happened," said his mother, Natalya Magnitskaya, who has accused the Russian judiciary of "destroying" her son. "I do not understand why this has happened to him. He always respected the law."

Mr Magnitsky is believed to have uncovered one of the biggest tax frauds in Russian history, perpetrated by a gang of unscrupulous police officers who plundered the state's coffers to the tune of £144 million.

Those same policemen then turned on their accuser and jailed him, in what friends claim was an attempt to pressure him into denouncing one of his clients, an investor in Russia who had fallen out with the Kremlin.

In the event, Mr Magnitsky did not crack. But fatally his health did - he developed a severe pancreatic condition while being held behind the ancient walls of Butyrka prison, a notoriously spartan Czarist-era jail that also held the writer Alexander Solzhenitsyn. Three hours after being transferred to another facility, he died aged just 37.

"They put him in dungeon like conditions," added Jamison Firestone, the boss at the law firm where Mr Magnitsky worked. "Cells without windows, humidity, they turned off his hot water, and the sewage."

Since he died, Mr Magnitsky's story has become a diplomatic flashpoint between Russia and its foreign partners. President Dmitry Medvedev has been forced to change the law to ensure that people charged with white-collar crimes are not jailed before they have even been tried.

Yet the official investigation into his death, which is still open, has gone nowhere. Nobody has been arrested or charged.

Instead, the police officers whom Mr Magnitsky believed defrauded the state and then tried to cover it up by jailing him were handed top government awards only last week. The awards were unrelated to the Magnitsky case and came after two of the officers involved in the case were promoted.

But Mr Magnitsky's former client William Browder, a London-based businessman who is chief executive of Hermitage Capital Management, said that the plaudits beggared belief. "They are circling the wagons and protecting their own," he told *The Sunday Telegraph*.

"Every step the interior ministry takes to cover up their crimes is more cynical than the next. It never ceases to amaze me just how evil these people can be."

Last Friday, international anti-graft organisation Transparency International posthumously awarded Mr Magnitsky its prestigious Integrity Award.

"He battled as a lone individual against the power of an entire state," said Sion Assidon, the chairperson of the awards committee. "He believed in the rule of law and integrity, and died for his belief."

Meanwhile Benjamin Cardin, an American senator, has drawn up a list of sixty individuals he believes were complicit in the lawyer's death and is pushing for them to face visa bans and asset freezes in Western countries.

However, at least two of the accused police officers have hit back, arguing that they are innocent and have been targeted as part of a smear campaign designed to deflect attention from Mr Browder.

Mr Browder, 46, who was born in the United States but has since become a British citizen, is a controversial figure in Russia.

The grandson of Earl Browder, the former leader of the American Communist party, he made his fortune during the 1990s by investing money in privatisations during the anarchic post-Soviet era.

However, the firm has made a point of exposing corporate corruption in companies it buys into, in the hope of improving managerial behaviour and share prices. Once a supporter of Vladimir Putin, the Russian prime minister, Mr Browder fell out of official favour after he started complaining about corporate governance in Russian energy giant Gazprom.

In 2005, he was denied a visa and has been blacklisted as a threat to Russia's national security ever since. In 2007, Russian police raided three of his offices carting off numerous documents. Baffled by the raids, he hired Mr Magnitsky, who had a reputation as a tireless investigator, to make inquiries.

The young lawyer quickly concluded that the policemen has used the company seals of two of the companies they had raided to steal the firms, and had then fraudulently demanded a tax refund to the tune of \$230 million.

Mr Browder said he told all his lawyers, including Mr Magnitsky, to tread carefully.

"They started opening criminal cases against all our lawyers," he says in the new documentary about the affair. "I said: 'whatever is going on here, whatever you are doing, it is best to get out of harm's way.'"

But Mr Magnitsky was apparently unfazed and even testified against the police officers he believed had perpetrated the fraud.

It was a courageous act his family was later to regret. His mother said that medicine she sent him for a stomach complaint was often held up for weeks, and that he was isolated and not even allowed to talk to his family on the phone.

As he became increasingly demoralised, he was repeatedly asked to denounce Mr Browder, who denies Russian accusations of tax evasion. Mr Magnitsky said he was only interested in denouncing the police officers he believed were corrupt.

His mother only learned of his death when she turned up at the prison gates to give him a parcel. "At first I didn't believe it and thought they must be joking," she recalled "My son was 37. He was full of energy and he was healthy."