

Evidence that William Browder pulled off the tax refund scam

By Lucy Komisar

The tax refund fraud was a scam that some crooked Russian and Western entrepreneurs had been operating for a few years. There were some “professionals” who specialized in it.

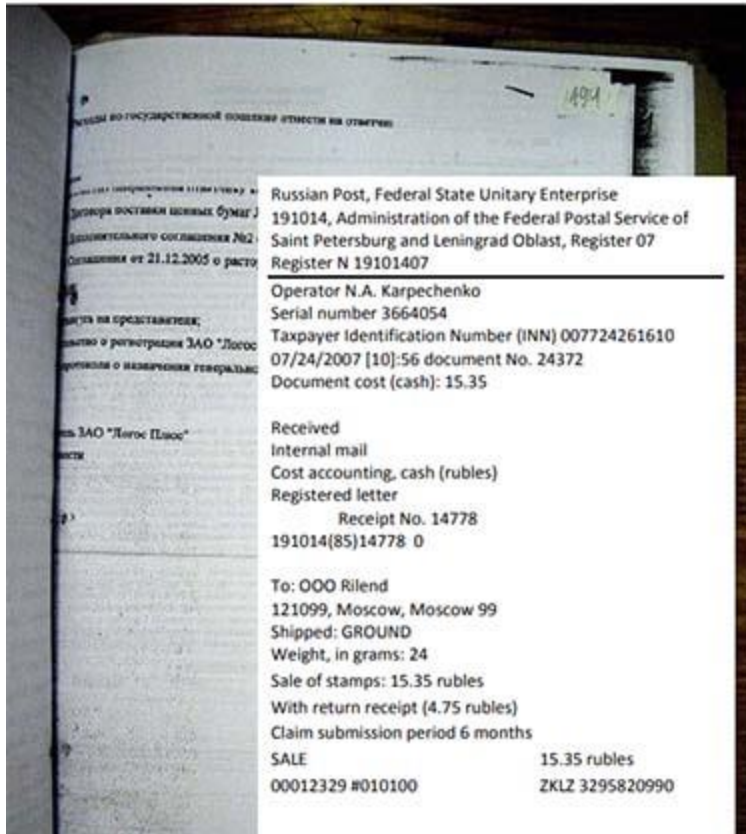
One of them, Moscow lawyer Andrey Pavlov, told me, in several hours-long interviews in New York, that he was approached by Viktor Markelov, a convicted felon, who proposed to hire him. Markelov wanted him to obtain a court order based on an invented liability for the Hermitage companies, which would then lead to a claim for a tax refund. (“You didn’t comply with a contract, we lost money, you owe us \$1 billion,” which was Hermitage’s entire 2006 profits.)



Andrey Pavlov, photo by Lucy Komisar, Feb 2017.

Pavlov said the refund application would require detailed information from the companies’ books for the year, which he said pointed to inside involvement. Browder’s shells didn’t defend the cases and paid out \$230 million, their taxes on the entire 2006 profits.

Markelov went to prison for managing the tax refund fraud. At his interrogation, [Markelov](#) talked about the role of Pavlov and also recalled getting documents from a man he knew only as *Sergei Leonidovich*, as in *Sergei Leonidovich Magnitsky*, who was the agent of the unnamed client.



Russian post receipt of court letter, filed in U.S. Federal Court. See line 8, 7/24/2007.

Transferring the Browder shell companies

Browder claimed he didn't know anything about the scam, that his companies had been stolen. But Hermitage received legal letters at their old mailboxes about the lawsuits leading to transfer of ownership in July, which was the time of the legal actions. These were mailboxes accessed by Magnitsky as the accountant handling Hermitage.

Browder didn't challenge the suits. Exhibits to prove Hermitage got the legal notices in July 2007 were filed in U.S. federal court.

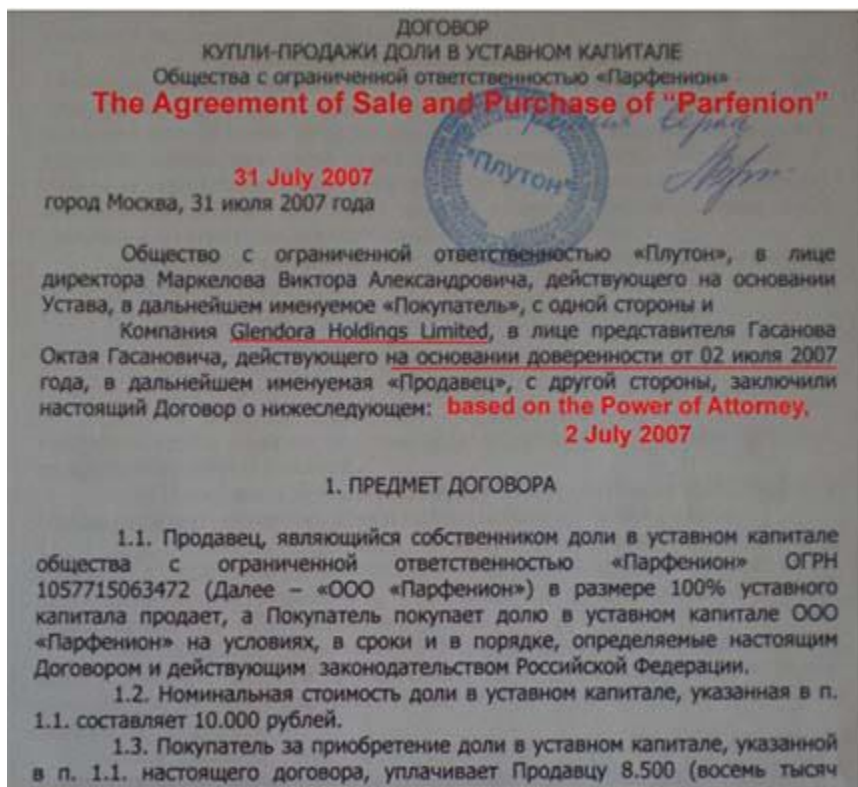
Browder's complaint says that the true owners of the companies *Mahaon, Parfenion, and Rilend*, learned about these lawsuits by pure chance, and long after the fact. Not true, as the lawsuit notice went to the companies' legal [addresses](#), from which *Firestone Duncan*, specifically Magnitsky, monitored the mailboxes, got them.

Later Browder would say that the officers who searched the offices had taken documents and used them to re-register the firms. However, that is not possible under Russian law.

Police, government authorities or others with documents cannot do it. Registered owners must appear in person at the official company registration office or they must request a change of ownership through powers of attorney.

That's what happened. Powers of attorney were provided by Browder's Cyprus shells to Oktai Gasanov, cited by [Markelov](#) as his collaborator. Here's the [power of attorney \(translation\)](#) from Browder's Kone Holdings. Browder claims the powers of attorney are forgeries, but Yianna Alexandrou, employed at the Cyprus company formation agent that set up Browder's shells, swore in a [deposition](#) in U.S. federal court that she recognized her signature.

Then the three Browder shell companies were sold to a new figurehead owner July 31, 2007 per this sale [agreement](#). See the reference to [Glendora](#), a Browder shell company in Cyprus which was the owner of the Kalmykia shell Parfenion. (It's called layering, a classic offshore tactic: one shell owns another shell.)



Parfenion share sale agreement (bill of sale) dated July 31, 2007, nearly two months after the June search.

Here is a photo of the bill of sale of Parfenion, one of the shell companies involved in the tax refund fraud. It says Parfenion in English in big red letters. Glendora in English is underlined.

Pluton LLC, represented by Viktor Alexandrovich Markelov, is the buyer. Glendora Holdings Limited, represented by Oktai Gasanovich Gasanov, is the seller. Glendora was

Browder's Cyprus shell company, owner of his Russian shell Parfenion. In his interrogation, [Markelov](#) says Gasanov was his collaborator in the tax refund scheme.

Reregistration of the shell companies

The companies were, according to Magnitsky, not officially re-registered till September. Magnitsky, in June 2008 [testimony](#), says that after "rulings dated 3 and 7 September 2007 by the Arbitration Court of Saint-Petersburg and Leningrad Region" the companies were "were re-registered on 11 September 2007 and 20 September 2007 under new legal addresses in Moscow." The rulings related to the collusive lawsuits. If that is true, the companies till then would have been registered as owned by Glendora, with their old addresses.

But Glendora is prominent in the July bill of sale. So, why wasn't the company re-registered for five or six weeks? Did the old (Browder) owners want to keep control, along with the old mailing address?

Magnitsky testified that he received the law suit notifications only on October 16, which conflicts with the July date on the *Parfenion* notification receipt, sent to an address he confirms is correct. He didn't explain why mail was apparently not picked up for months.

Browder ignores the lawsuits

Pavlov told me, "In October the whole Browder team knew about these claims and didn't appeal the decision [allowing the take-over of his companies] which had been granted." That October 16 notice said there would be a hearing October 22. Hermitage sent no lawyer to the hearing. Pavlov said, "They did nothing till the money was paid out of the budget [the Russian Treasury]" at the end of December.

All this points to Browder organizing the tax refund fraud along with Magnitsky. It means Browder is the guilty one, the tax refund fraud crook! The Magnitsky Act was invented to cover that up! Browder refuses to talk to me so I can't ask him about the evidence presented here.